Daily Report

Latin America

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FBIS-LAT-90-209 *29 October 1990*

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Andean Group Reports International Reserves Gain

PY2710143890 Madrid EFE in Spanish 0122 GMT 26 Oct 90

[Text] Lima, 25 Oct (EFE)—The Andean Group reported in Lima today that the net international reserves of the Andean Group countries—Bolivia, Colombia, Ecuador, Peru, and Venezuela—hit more than $13 billion in September.

A press release from the Andean Communications Unit [Unidad de Comunicaciones Andinas] reports that the reserves are at their highest level in the past three years.

The Andean Group added that the largest entries were reported by Venezuela, with $629 million, and by Peru, with $285 million, which "represented a record in monthly revenues accounted for by these countries in the past five years."

According to the "monthly indicators" cited in the Andean Group bulletin, in October the Andean Group hit $13.461 billion as a result of the $1.014-billion increase that took place in September.

Of the grand total, $8.353 billion belongs to Venezuela, $4.3 billion to Colombia, $427 million to Peru, $236 million to Ecuador, and $145 million to Bolivia.

Venezuela, Trinidad-Tobago To Patrol Caribbean

PA2810191390 Caracas EL UNIVERSAL in Spanish 14 Oct 90 p 1-16

[From "Looking at Miraflores" column by Jesus Lossada Rondon]

[Text] Venezuela and Trinidad-Tobago will jointly patrol the Caribbean Sea as part of a strategy to fight narcotics trafficking and the consumption of drugs in the eastern part of the country.

The authorities have been able to confirm that Guiria Port and the adjacent coasts are being used as points of entry and exit of drugs for internal consumption and shipment abroad.

Commissioner Villegas Rondon disclosed that a police commissioner and an official of the Foreign Relations Ministry will go tomorrow to Port of Spain to coordinate actions between the two countries.

Roundup on Regional Drug Trafficking, Seizures

PY2810013290

[Editorial Report] Following is a compilation of reports on drug seizures and arrests related to drug trafficking in the Paraguay bureau coverage area from 12 Oct to 24 Oct. Source, date, and time are given in parentheses after each item.

Argentina

Buenos Aires, 24 Oct (TELAM)—The Dangerous Drugs Division of the Argentine Federal Police seized two kg of cocaine that were hidden behind the dashboard of a car parked in front of the house at No. 571 Esmeralda Street in downtown Buenos Aires, and arrested Fabian Jorge Multer, 41, the car's driver who admitted that he had brought the drug from Santa Cruz, Bolivia. (Buenos Aires TELAM in Spanish 1555 GMT 24 Oct 90)

Brazil

Over the past weekend, the Federal Highway Police seized 12 kg of pure cocaine in Mato Grosso do Sul. The cocaine was seized during a blitz when the police also managed to detain traffickers (Alitair Bella) and (Lindo Otavio Souza Oliveira). They were coming from Corumba and were taking the drug for distribution in Sao Paulo and Rio de Janeiro.

The seized drug was sent to the Drug Enforcement Police Station where charges were also brought against the two traffickers.

Over the past 15 days, the Federal Highway Police have seized approximately 21.5 kg of pure cocaine brought from Bolivia. This was to be distributed in the Rio de Janeiro-Sao Paulo area. (Brasilia Domestic Service in Portuguese 2100 GMT 22 Oct 90)

In the scrublands of Penambuco, the police discovered a plantation with more than one million stalks of marijuana, which were burned on the spot. The plantation was found on the Vaca Morta, Quixada, and Sitio Grande farms, where the police were met with a hail of bullets from farmer Jose Jacinto, who injured one of the policemen. The farmer was arrested and taken to Recife. (Brasilia Radio Nacional de Amazonia Network in Portuguese 0900 GMT 23 Oct 90)

Rome, 23 Oct (EFE)—Nieva de Bernardin, 37, a Brazilian citizen was arrested at Fiumicino airport today carrying four kg of pure cocaine worth $3 million. Nieva de Bernardin was coming from Rio de Janeiro and was hiding the cocaine in cans of fruit. (Madrid EFE in Spanish 1147 GMT 23 Oct 90)

Chile

Rome, 23 Oct (EFE)—Chileans Hugo and Julio Tapya Albornoz, 34 and 35 respectively, Antonio Prieto Norabuena, 37, and Cristina Lopez Ruz, 43, and Italians Laura and Barbara Campoli, 33 and 20 respectively, were arrested by the Italian police on 23 October and charged with bringing drugs from South America to Italy. The alleged traffickers were living in an apartment in Rome where the police found one kg of pure cocaine. (Madrid EFE in Spanish 1220 GMT 23 Oct 90)

The OS-7 [expansion unknown] unit of Carabineros has seized 2.4 kg of cocaine worth several million pesos and arrested Benilde del Carmen Munoz Sequeira, 48, Oscar Jazban Grez Munoz, 23, and Cesar Alejandro Fuentes

Marin, 25, who have been interrogated and indicated that this shipment was intended to test a new route through Chile to more profitable markets. (Santiago LA TERCERA DE LA HORA in Spanish 15 Oct 90 p 37)

More Drug Activites Reported

PA2910032490

[Editorial Report] Following is a compilation of reports on drug seizures and arrests related to drug trafficking in the Panama bureau coverage area from 22 to 28 October. Source follows in parentheses after each item.

Colombia

On 27 October Colombian soldiers seized 128 kg of cocaine and arrested nine persons in two separate operations carried out in the departments of Antioquia and Narino. The report adds that the drugs seized during those two operations will be burned in the next few hours. (Paris AFP in Spanish 1616 GMT 28 Oct 90)

The Colombian authorities have reported that Colombian soldiers seized 147 kg of cocaine and arrested six persons during an operation in Amalfi Municipality, Antioquia Department. According to the report, the seized drugs belonged to the Medellin Cartel. (Hamburg DPA in Spanish 2242 GMT 28 Oct 90)

Costa Rica

Belisario Solano, Costa Rican public security ministry press chief, has reported that since the beginning of the year, the Narcotics Office has seized a total of 44.5 kg of cocaine and arrested 13 persons in Paso Canoas, on the border between Costa Rica and Panama. The most recent seizure was reported only a few days ago when a Panamanian, a Costa Rican, and a Nicaraguan were arrested for possession of two kg of cocaine. (San Jose LA REPUBLICA in Spanish 13 Oct 90 p 10-A)

Cuba

The weekly JUVENTUD REBELDE has reproted that the Cuban authorities seized approximately 16 kg of marijuana being carried on board a twin-engine plane that performed an emergency landing in Las Tunas Province. According to the authorities, Jamaican citizen Alfred John Rudolph Kiep, owner of the four-passenger Cessna plane, and Ricardo Emanuel Izquierdo were forced to land in Cuba after their aircraft experienced radio problems. The authorities added that the two men, who reside in the United States, purchased the drug in Jamaica. (Havana International Service in Spanish 0000 GMT 29 Oct 90)

Guatemala

On 24 October the Treasury Police arrested Jose Ramon Mejia Landaverde for possession of 198 kg of cocaine. The cocaine was packed in one kg packages and hidden in six vehicles with Salvadoran license plates. According to Treasury Police spokesman Conrado Monroy, the drug was brought into Guatemala by air from Colombia and was going to be transported, by land, to the United States. (Guatemala City SIGLO VEINTIUNO in Spanish 26 Oct 90 p 6)

Mexico

The Federal Judicial Police seized six kg of pure heroin and dismantled a clandestine laboratory in Colotipla, Guerrero State. Vidal Diaz Sereno was arrested during the operation. He admitted to the authorities that he has been involved in drug production for the past three years. He added that the drug was sent to Tecpan de Galena where women were recruited to carry it across the border into Arizona. (Mexico City NOTIMEX in Spanish 2034 GMT 24 Oct 90)

The police in Izucar de Matamoros Municipality, 200 km southwest of Puebla, seized a shipment of 100 kg of marijuana and arrested six persons. The drug was found hidden in a clandestine warehouse where it was being prepared for sale at local schools. According to one of the arrested persons, the drug is grown in Jolalpan. (Mexico City NOTIMEX in Spanish 0022 GMT 25 Oct 90)

Antidrug agents were attacked by a group of drug traffickers in Tlautiltepec, Atlistan Municipality, Guerrero State, on 26 October. After a very careful search of the area, the agents found a clandestine laboratory owned by Pedro Andres Ibanez. According to the police report, Ibanez was killed while resisting arrest. Weapons and chemicals were also seized. (Mexico City XHTV Television in Spanish 0200 GMT 27 Oct 90)

The Judicial Federal Police seized approximately 1,284 kg of marijuana, confiscated 12 vehicles, and arrested 26 alleged drug traffickers, during several operations carried out throughout Sonora State. According to the police report, 787 kg were seized in Caborca, 118 kg in Santana Municipality, 324 kg on the road between Sonoita and San Luis Rio Colorado, 114 kg near Sonoita, and 58 kg in Agua Prieta. (Mexico City NOTIMEX in Spanish 0401 GMT 28 Oct 90)

The Judicial Federal Police [PJF] in Miguel Aleman, Tamaulipas, seized approximately 11 kg of cocaine and 150 kg of marijuana following a shoot out with alleged drug traffickers on 27 October. PJF chief Juan Manuel Laurent reported that two drug traffickers were killed in the shoot out. One of the drug traffickers was wearing the uniform of an Army general. (Mexico City NOTIMEX in Spanish 2218 GMT 28 Oct 90)

Panama

An official report has revealed that in the past 10 months, the Attorney General's Office has processed approximately 285 drug related cases. The document adds that 182 persons have been arrested for possession of drugs. (Panama City LA ESTRELLA DE PANAMA in Spanish 23 Oct 90 pp A-1, A-2)

During a raid on a house in the Tocumen area, the Judicial Technical Police seized 21 kg of cocaine believed to belong to the Cali Cartel and arrested three

Colombians. The drug, worth $500,000 on the market, was being taken to the United States. (Panama City CRITICA LIBRE in Spanish 23 Oct 90 p 48)

The Customs General Directorate reported that during a routine inspection of a warehouse at the Tocumen International Airport in Panama City, customs agents found 34 kg of cocaine. The drug was hidden in two washing machines and six purses. The bills of lading showed that the washing machine and purses were purchased in the Colon Free Zone and were being sent to Eduardo Batista in Kingston, Jamaica. (Panama City EL DIARIO INDEPENDIENTE in Spanish 27 Oct 90 p 23)

On 26 October the Panamanian authorities burned 1,124 kg of cocaine worth $31 million on the international drug market and 115 kg of marijuana. The burning of the drugs, seized between 4 July and 23 October, was carried out in an area near the Tocumen Fire Department. (Panama City EL SIGLO in Spanish 27 Oct 90 p 8)

Venezuela

Officials of the Venezuelan Antidrug Division held a news conference to report that two arrests had been made and 20 kg of cocaine seized in La Guaira. Gerson Isturiz Rodriguez, a member of the Venezuelan National Guard, and Rafael Alberto Facundo Melo, a citizen of the Dominican Republic, where arrested when they were attempting to load the 20 kg of cocaine on a ship docked in La Guaira. The authorities reported that the ship was sailing to the United States. (Caracas EL NACIONAL in Spanish 17 Oct 90 p D-16)

Cuba

Castro Addresses UJC Leaders Havana Meeting

FL2710121590 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Oct 90

[Report by Noria Cepero]

[Text] The meeting Commander in Chief Fidel Castro held over the past two days with members of the National Bureau of the UJC [Union of Young Communists] and with UJC first secretaries from the provinces and the special municipality, the Isle of Youth, ended in Havana late last night. The delegates present at the second day of the meeting focused attention on political and ideological work. The topics of art education, current trends in this sector, and the role that culture should play in our society led to intense debates.

After analyzing the characteristics and manifestations that distinguish the current ideological confrontation in our country, the commander in chief said that never before has it been so necessary for dialogue and polemics, for the strengthening of the people's spirit, the elimination of any doubts, and for the infusion of confidence in the present, in everything we are doing, in the party, the revolution, and in the justice of the entire project.

He later said that our revolution has many reasons to defend itself; there is no shortage of arguments for this. He said that we all have to be prepared to undertake this fight and to win. It is not just a matter of thwarting those who want to weaken us, but we must block the way for the problems we have now and for the ones that can arise in the future.

Further on, he said: We are not defending our generation's revolution, but your revolution, and because of this, you must be on the frontline of this battle and of the party. With much pleasure, he noted, we will be alongside you. This is your inheritance, he said. Fidel described the meeting as very positive and he stressed the outstanding work done lately by the UJC.

Praises Accomplishments

FL2710134890 Havana Tele Rebelde Network in Spanish 1120 GMT 27 Oct 90

[Interview granted by Cuban President Fidel Castro to journalist Noria Cepero at the conclusion of Castro's meeting with leaders of the Union of Young Communists (UJC) on 26 October; place not given—recorded]

[Text] [Cepero] What do you think of the youths' recent work?

[Castro] I have a very good opinion of it. I say this to you without any hesitation. I think this is the best work they've done in recent years. It's brilliant. Well, I just said that here. Now they plan to do new things. They have introduced many initiatives which have been extended throughout the country and they have many ideas. We are supporting these activities.

[Cepero] Commander, what about the role that you think....

[Castro, interrupting] [Words indistinct] a question? [laughter]

[Cepero] What role do you think the youths should play now?

[Castro] They should be among the vanguard and they should be a frontline force of the revolution during these very important, extraordinary times.

We have worked hard. Have you figured out how much time we have spent on this?

[Cepero] Well, yesterday we met from 1530 to 0130, more or less, right?

[Castro] Yes, more or less. Officially, the meeting ended before 0100 and today we began at about 1510.

[Cepero] We began a little earlier, about 1500 or so.

[Castro] We took a break to attend the ceremony marking the anniversary of the ICA [Institute of Animal Sciences], to attend that international scientific seminar, but then we came back. We did not finish early. There was (?not) enough time.

[Cepero] What do you think of the work of the ICA over the past 25 years?

[Castro] I gave my opinion there. They have done great work and they have provided great support which now permits us to have an arsenal of experience and ideas to apply in milk and meat production. They are the ones who developed sacharina, which in my opinion is the most important thing they've done. With just this discovery alone, they can pay for all their expenses, just with this product alone. However, they have done many other things. We are donating this technology. It is very simple. The technology is used to feed pigs with protein meal. Sacharina has been used to produce milk and meat. That is also very simple. We are conveying these ideas to other peoples, other countries. It does not make sense for us to make a cent from it, to sell the technology. It does not bother us at all to have other countries use it. We are not making these increases for trade purposes or to compete with someone else. We are doing this for our own domestic consumption. It does not bother us at all that many other countries that need it can use this discovery. The result of this research can help increase the population's food supply.

[Cepero] There is a center very similar to the ICA called the Inca [Agricultural Sciences Institute] which has to do with the....

[Castro, interrupting] It is called the national institute of agricultural sciences. They have also worked well. They are close to the....

[Cepero, interrupting] They have also just finished marking their anniversary.

[Castro] [Words indistinct].

[Cepero] They are working on increasing potato and coffee yields.

[Castro] They are working on everything. Many places are working on this. There are several centers doing this. They are not just working on higher potato yields, but they are also working on producing potatoes that resist the heat. It is very important that they can withstand climate changes. They are working on producing potato seeds that can save us $9 million in imports which we make every year. We want to promote the production of potato seeds in the laboratory, just like we are doing with malanga, plantains, and other crops. We spend $9 million every year on potato seeds.

[Cepero] Yes, it's very costly.

[Castro] You understand?

[Cepero] Yes.

[Castro] Well, thank you very much.

[Cepero] No, thank you, Commander.

Outlines ICA Priorities

FL2710023090 Havana Television Service in Spanish 0100 GMT 27 Oct 90

[Text] Dear viewers, at the close of this broadcast we have received the following information. Only a few minutes ago, Commander in Chief Fidel Castro spoke at the closing ceremony of the international scientific seminar which was held over three days in Havana to mark the 25th anniversary of the Institute of Animal Sciences [ICA].

[Begin Castro recording] [Applause] Right now a high level of attention is being paid to the problem of livestock raising. Because also in other ....[changes thought] In general, livestock has been the fifth wheel on the wagon. We have always prioritized sugarcane, the planting of sugarcane, and then rice, and citrus fruit, and roots and vegetables. We demanded that these plans be fulfilled, but we never fulfilled the plans for planting pasturage.

Livestock raising suffered in another way because not only priority with respect to fertilizers had to be given to sugarcane and other crops, but land—and good land—had to be given to them. Livestock raising had to turn land over to the reforestation plans in the mountainous areas, because the forests had been cut down irrationally and pasturage sown there, and these were really forest areas. The area for livestock raising was reduced gradually, and it also had to constantly find new areas to plant pasturage, and as I was saying, the plans for livestock raising were not given priority.

Now they are being given much higher priority. This is shown by this year's pasturage plan. This year has not been a very favorable one for the planting pasturage, because there were continuous rains in some areas in the south, little rain in the central area, no rain in the north, and they have had to wait. But, in addition, it was necessary to overcome a kind of inertia, the old way of thinking, of forgetting about pasturage. We are making a great effort, and it is possible that right now we have planted about 17,000 caballerias; that is, more than 200,000 hectares. [applause] [end recording]

At the start of the ceremony, outstanding workers at the institute were given awards. Researchers, technicians, and production and maintenance workers received plaques and certificates for their continual and meritorious work at the ICA. The commander in chief was given a plaque and certificate commemorating the 25th anniversary of the ICA. This report will be expanded on in later newscasts.

November Fish Rationing Quotas Announced

FL2610153690 Havana Tele Rebelde Network in Spanish 1453 GMT 26 Oct 90

[Text] Fish distribution in Havana City Province in November will be carried out in 15-day cycles, at a rate of approximately one pound per consumer in each cycle. A note published in the evening paper TRIBUNA DE LA HABANA explains that family units of 1 or 2 people will be able to purchase, at one time, the amount of fish to which they are entitled for the month.

The TRIBUNA report states that the quantity and frequency of distribution will depend on availability. Based on present inventories and expected receipts, it is calculated that in November each consumer will be entitled to two pounds of fish including head, fish without heads, and squid. It is emphasized that when fish are distributed to the people, distributors will not be allowed to cut the fish in order to adjust them to the appropriate amounts.

Vice President Discusses Relations With U.S.

PA2510182090 Havana International Service in Spanish 0100 GMT 25 Oct 90

["Excerpt" of interview with Vice President Carlos Rafael Rodriguez by reporter Pedro Martinez Pirez at the Council of Ministers in Havana on 23 October—recorded]

[Text] [Martinez] During the Group of Rio meeting, a Latin American president—namely, Venezuelan President Carlos Andres Perez—issued a new appeal to the United States and Cuba, urging them to normalize relations. Dr. Rodriguez, on what basis could relations between Cuba and the United States be normalized?

[Rodriguez] We have not broken relations with the United States. The United States has tried to impose its policies on us for 30 years....[corrects himself] for over

30 years; its military aggressions are well known. President Kennedy decreed a brutal blockade. He personally tried to rectify this, and I think his death had a lot to do with the changes in the U.S. attitude toward Cuba.

We have maintained a dignified and firm stand. We have tried to solve our problems through our relations with the Soviet Union, European socialist and capitalist countries, and Japan. We can say that the U.S. economic blockade against Cuba has failed because it has not been able to convince its own allies to join the blockade. When the United States tried to prevent trade with Cuba, the EEC countries and Japan traded with Cuba. Therefore, the United States has failed.

We feel no hostility toward the U.S. people; we feel hostile toward U.S. imperialism and U.S. leaders who have struggled against Cuba. Even the U.S. presidents, both democrats and republicans, have tried to impose a policy, but they have failed. Some of them have tried to improve the situation. Carter began to do so, but he was replaced by the Reagan administration, which was one of the most hostile administrations toward the Cuban Government.

We must admit that Bush has been as hostile as Reagan. This was not expected, but Bush's statements, through his son, to the colony of immigrants in Florida has been an insurmountable obstacle in the development of our relations.

We....[changes thought] Our conditions are as follows: First, the blockade must be lifted. This is fundamental. Then we must have normal relations based on mutual respect. The Guatanamo problem must be discussed and respectful relations must prevail between our two countries. We impose no conditions. We can have strictly formal relations with the United States, but we can also have friendly relations; we can be friends. There is nothing to prevent the friendship between the Cuban people and the U.S. people, who have been linked together throughout history.

When U.S. athletes come here, the welcome they are given proves how our people think about the U.S. people. We want them to lose, of course; we do not want them to win, but we treat them with respect. When U.S. scientists come here, they see what kind of relations prevail between our country and the United States, from the people's point of view. It is the U.S. leaders who have had a hostile policy and they must modify it.

We do not need the United States. We have said that we can live without the United States. We have been against the United States, but we would like to live with the United States.

[Martinez] You mentioned President Bush and President Bush's son, and his ties with a group of Cuban immigrants in Miami. This was recently criticized because the group is hostile toward the Cuban revolution. It is said that the Cuban immigrants are a mixed group in the United States and that the right-wing group, which has ties with the Bush administration, is a minority, although it is obviously the richest, and it owns the media in Miami. There are other groups of immigrants, however, who might be truly interested in a normalization of relations, so that they may visit Cuba and so that their Cuban relatives may visit them in the United States, etc. Do you really believe that a group of immigrants—free of the tutelage of the right-wing fanatics who are linked to Bush—might have a future role in the process of normalizing relations between Cuba and the United States, Dr. Rodriguez?

[Rodriguez] I think that there are two basic groups of Cuban immigrants. There is a group that has been labeled as reactionary. It is led by [Cuban-American National Foundation leader Jorge] Mas Canosa, [former Cuban prisoner Armando] Valladares, and people who are completely estranged from reality. They have tried to impose a hostile policy and they have close ties with the leadership in the U.S. Government, particularly with Bush's son. They have truly exerted a negative influence in recent times. They exerted a negative influence whenever it seemed that we were about to reach certain agreements.

There is another group that is becoming a majority. It is comprised of people who understand that they should not have left Cuba; their children have started to ask their parents to explain why they were taken from their natural environment. This group is still not influential in the United States because it is a more neutral group. It still is not the most influential or the most active group.

There is a third group. These are the old reactionaries who now understand that they will achieve nothing along those lines. They advocate a dialogue. However, this dialogue is meant to annihilate Fidel Castro and eliminate the current government by other means and not through violence, which is what Mas Canosa and his group advocate. This third group is proposing discussions, but these discussions are aimed at hastening the fall of Fidel Castro and his government. I think that an interesting process is currently underway. Naturally, I would say that we are not in a condition to hold a discussion with this second group right now, meaning the intermediate group. We are stenghthening our relations with the third group [as heard].

For example, the North Americans are quite concerned nowadays because we have lowered the age limit for those who are free to visit the United States; and the number of people visiting the United States has increased. Now the U.S. Government is creating all kinds of obstacles. It does not want so many Cubans coming to the United States because, among other things, it is afraid that some of them might want to stay—which is basically not the case. Only an insignificant minority decide to stay. The U.S. Government does not want so many Cubans coming to the United States.

A process is underway. We are experiencing a difficult moment in the revolution; a moment in which part of those who settled in the United States believe that the

Cuban revolution will collapse. The United States also believes this. I can tell you that a Cuban delegation and a U.S. delegation participated in the discussions about Africa. The Cuban delegation's attitude proved to the North Americans, first of all, that we were not an instrument of the Soviet Union. We have our own policy. Second, we proved that we were capable of discussing a rational policy. They began to discuss some of the problems prevailing in U.S.-Cuban relations.

Then came the collapse of socialism in Europe and these people changed their views. They believed that the collapse of socialism in Europe would be followed by the collapse of socialism in Cuba. Remember how Fidel Castro's death was predicted when Ceausescu died. This policy has changed. They know—and they are publicly admitting this—that they cannot count on Fidel's fall, that Fidel has the Cuban people's support, and that the Cuban people are strong.

Still, they believe that we will not be able to withstand the economic onslaught of the European socialist countries' disaster; the Soviet Union's difficulties; and the U.S. blockade. When they become convinced that this is useless, we will be in a new period. I think this will be the time for certain discussions.

[Martinez] Thank you, Dr. Carlos Rafael Rodriguez—vice president of Cuba, member of the Politburo of the Communist Party of Cuba, and one of the 28 personalities comprising the developing nations' South Commission—for your statements to Radio Havana.

Havana Notes Statements in Spain

FL2710024590 Havana Radio Rebelde Network in Spanish 0004 GMT 27 Oct 90

[From the "Exclusivo" program]

[Text] We have said that we are willing to discuss our differences with the United States based on three things: Cuba's right to maintain a socialist system, the dismantling of the Guantanamo naval base, and the establishment of a normal relationship. This statement was made in Madrid by Vice President Carlos Rafael Rodriguez, according to an interview granted to reporter Jesus Ceberio. The text of the interview has been published today in the Argentine newspaper PAGINA 12, and a version of it was issued by the PRENSA LATINA news agency.

Asked about the possibility of a change in the current status of relations between the United States and Cuba, Carlos Rafael Rodriguez revealed that the subject was discussed during the quadripartite talks on Namibian independence. The Cuban leader stated, verbatim: There was some talk about negotiating on a serious basis, but at that point the collapse of European socialism occurred and the United States reached the conclusion that there was nothing to negotiate because it believed the same thing would happen in Cuba. Carlos Rafael Rodriguez added that then the United States broke off the talks and sat down to wait for Fidel Castro to fall.

The Cuban vice president was also asked about the rights of minority groups to form parties that openly defend capitalism in Cuba. Carlos Rafael Rodriguez answered that the United States' hostility makes it impossible to organize these parties. He argued that these parties would immediately become instigators of a counterrevolution at the service of Washington. He said this would then not be a matter of discussing an internal transformation advocated by Cubans themselves, but rather a transformation promoted from the United States.

Alarcon Hits UN Security Council Gulf Role

FL2710190490 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Oct 90

[Text] Ricardo Alarcon, Cuban ambassador to the United Nations, has told the UN Security Council that the only logical conclusion one can reach in regard to the situation in the Persian Gulf is that someone is interested in war. Alarcon added that the council was created to avert war and to reasonably confront threats against peace. He stressed that this organization should not act as a general staff committee because it is comprised of diplomats who are obligated to find diplomatic and peaceful solutions to the crisis, instead of making it more difficult to do so. The only thing we want, the Cuban ambassador added, is for UN Secretary General Javier Perez de Cuellar to fulfill his responsibility. Perez de Cuellar has repeatedly said that he is willing to do this and he is exerting his services as a mediator to preserve the peace, Alarcon said.

Alarcon's remarks were made after Cuba, Yemen, Colombia, and Malaysia insisted on the need for Perez de Cuellar's efforts to reach a solution, other than war, to the Gulf crisis.

The Spanish press agency, EFE, reports that the five permanent members of the council—the United States, Great Britain, France, PRC, and the Soviet Union—are seeking support for a proposal that requires Iraq to pay reparations to Kuwait and third parties. The proposal also condemns Iraq for allegedly violating the human rights of Kuwaitis, foreigners, and diplomatic and consular personnel.

UN political observers stressed that it is becoming very difficult for Iraq to find a peaceful solution to the conflict in face of such pressures.

Jorge Risquet Welcomes Returning Troops

FL2710124590 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Oct 90

[Text] Jorge Risquet, member of the Politburo of the Communist Party of Cuba, has received a new group of internationalist combatants.

[Begin recording] [Unidentified speaker] You have contributed decisively, alongside our brother Angolan and Namibian combatants, to the preservation of the sovereignty of the People's Republic of Angola and to the successful conclusion of the Namibian people's fight for their liberty. [applause] We march alongside Fidel and the party toward victory with our decisive slogan: Socialism or death! Fatherland or Death, we will win! [applause]

[Risquet] This is the way our socialism is now.

[Unidentified internationalist] As our commander in chief says, we will now continue our internationalism in our own country.

[Risquet] Now it is time to help our fatherland. In addition to helping our country here, we are also serving Latin America, the Third World, and we are spreading the idea of internationalism to all the peoples of the world. So those who have fulfilled two missions, will now fulfill the third one here. Those who have fulfilled one mission, will fulfill their second one here.

I hope your family members are fine, that you are quickly reunited with them, and that you have a well-earned rest. Then it's off to work! See you later. [applause] [end recording]

Links Missile, Current Crisis

FL2610211590 Havana Radio Rebelde Network in Spanish 0014 GMT 26 Oct 90

[Interview with Politburo member Jorge Risquet Valdes by Diosdado Maso at the Central Committee offices in Havana—live]

[Text] [Maso] As our listeners know, this month it will be 28 years since the October [missile] crisis. A symposium with Cuba, the USSR, and the United States about this confrontation was held in Moscow in January 1989. Politburo member Jorge Risquet Valdes led the Cuban delegation to this event. The subject has taken on renewed importance today because of two occurrences: Commander in Chief Fidel Castro's statements about the alleged memoirs of Nikita Krushchev about that conflict, and the suit by American Professor (Phillip Bresner) against the current U.S. administration for its refusal to release the still-secret documentation about what has also been called the Caribbean crisis.

Comrade Risquet, you lived through those days of upheaval as the chief of operations of one of our Revolutionary Armed Forces' three armies—in this case the Eastern Army—and you are very knowledgeable about the subject. What can you tell us about it?

[Risquet] Well, about the alleged statements by Nikita, our commander in chief was categorical. Even though Krushchev may have interpreted and written that verbatim, it has no relation to the truth. There is conclusive evidence belying the former Soviet premier's assertion that Fidel advised Nikita to make a preemptive nuclear strike against the United States. We have an archive of the messages that were exchanged between the two; of course, the USSR also has this documentation.

About the justified suit by Professor (Phillip Bresner), backed by Dillon, Sorensen, Ball, and other former top Kennedy administration officials, this shows that the U.S. Government fears that the truth will become known, even when almost three decades have passed since the October crisis.

I met (Bresner) in Moscow during the Cuba-USSR-United States tripartite symposium about the crisis that was held in January 1989. We have since met with him, and other American professors who are researching this subject, twice in Cuba. Our exchange of views has the aim of organizing another tripartite symposium in Havana that we hope can take place at the end of next year. We are even thinking of, we are planning, a prior, preparatory meeting for this event.

[Maso] What would be the aim of this new symposium?

[Risquet] The aim is to pursue the historical clarification of all the details of that crisis that put the world on the brink of nuclear war, and to draw positive conclusions so that humanity will never find itself in danger of a nuclear holocaust.

[Maso] And Cuba's position?

[Risquet] Our position is to eliminate the weapons of mass destruction. War (?in all probability) would be a conflagration that would not only destroy civilization, but could also lead to the disappearance of humanity itself. This, however, is not enough. Cuba, as well as other Third World countries, could be the object of an attack by the United States with conventional weapons, like the attack Panama was the victim of less than one year ago. The fundamental thing is, therefore, respect for the legitimate right of every country, small or large, to national independence and sovereignty and to have the social system that the people choose freely.

[Maso] Does Cuba know the Americans' opinion about the position taken by the Cuban Government?

[Risquet] Well, the point of view I have explained before was presented at the symposium in Moscow, and was accepted by the Soviet delegation, of course, but also by the American delegation. This was made up of prominent figures from the Kennedy administration—former secretary of defense Robert McNamara whom we already mentioned, McGeorge Bundy, Sorensen, Salinger, retired General Smith, [words indistinct] General [name indistinct] Taylor in the Pentagon—as well as outstanding professors, including (Phillip Bresner), (Bly), (Dartford), and others. This concept is set forth inequivocably in the final document of the tripartite symposium in Moscow.

[Maso] What expectations will this tripartite meeting generate in comparison with the previous ones?

[Risquet] Well, it will undoubtedly be much more interesting; it might be a definitive event. First, because if there is reciprocity, Cuba is willing to declassify its own documents and other material evidence and, if there is agreement with the other party, release Cuban-Soviet bilateral documents. We have nothing to hide; we do not fear the historic truth. If Professor (Bresner's) suit you referred to at the beginning is successful, the United States would release the 700 documents on the subject.

With all the cards on the table, the specific plans for a conventional military attack against Cuba prior the installation of the missiles would be in full view. The position of principle, soundness, serenity, and heroism with which our people then faced the imminent danger of being the target in a nuclear war would shine forth. Moreover, the event would be held in the place where we confronted the terrible threat.

And the most important thing yet—of the heads of state that led the three countries directly involved in the confrontation in 1962, today there is only one: Commander in Chief Fidel Castro. Seldom has a statesman shone so well as in those luminous and sad days of the October crisis, as Che [Guevara] stated. This will give the tripartite symposium in Havana a singular importance and relevance.

[Maso] At the beginning of this interview, we said that they were days of upheaval. It would be very interesting for our young people to hear what the position of the Cuban people was in those initial days of the revolution, given this event.

[Risquet] I have already mentioned this when I said that not only our position of principle was made obvious, but also the serenity and heroism with which our people faced that threat of being turned into radioactive ashes. I was in the eastern region. The eastern region, as I said, was where we had the most combatants and guns. We had many tens of thousands of guns, and there were many more men without guns than with them, wanting ...[rephrases] taking places in the trenches hoping to seize guns from the enemy if an attack occurred.

Calm, firm, determined—that was our people's attitude in that province, and of course it was the attitude in all the provinces of Cuba from [Cabo] Maisi to [Cabo] San Antonio. As is known, the American U-2 spy plane was shot down over Cuba in the region of the Eastern Army, in the area of Banes. That is, there we shot down the plane, and that was an action that filled the people in the eastern region, and all the people in Cuba, with even more determination to fight.

We knew that Fidel was in the lead in that crisis, and his leadership inspired us with absolute confidence. That is why our people also supported with complete determination the five points Fidel demanded after the solution that was found for that crisis: the withdrawal of the missiles in exchange for the U.S. pledge not to attack Cuba. I think that naturally it was not satisfactory for us because Cuba did not participate in those negotiations; it was disregarded. The five points presented by Fidel were Cuba's sovereign, absolutely free position.

So our voice [words indistinct] Cuba in the negotiations and echoed throughout the world, and showed our firm, solid position in the face of imperialism, the attempts to attack our country, and the attempts to put Cuba again under the yoke of imperialist domination.

[Maso] What does Comrade Risquet think about the special time in which the new event will take place?

[Risquet] If 28 years ago our people, with the level of awareness that existed—it cannot be compared with the level today, which is much higher—if 28 years ago, we had the hope of carrying out revolutionary work, and today we are defending the revolutionary work that has been done and is in progress; if our people 28 years ago were willing to disappear under a nuclear strike to defend our sovereignty, independence, and decision to build socialism in Cuba, how could we not be able to endure the difficulties of an economic, material nature that could arise during the special period?

What human beings value most is life itself, and the life itself of our people was in danger, and our people did not tremble. Our people would hesitate even less in confronting the difficulties of a special period, at the end of which we will have achieved a fully independent economy and will continue with our work of building socialism and our country's economic, social, cultural, and political development.

[Maso] Friends, we have offered you the reflections of Politburo member Jorge Risquet Valdes, one of the major figures in those events who also led the Cuban delegation to the tripartite meeting about those events which was held last year in Moscow. We thank him, and say good evening, Cuba.

FAO To Continue Supporting Fishing Industry

PA2810195890 Havana International Service in Spanish 0000 GMT 27 Oct 90

[Text] The UN Food and Agriculture Organization, FAO, will continue to support the development of fishing activities in Cuba, in accordance with a technical cooperation agreement that has now been in effect for three decades. This was confirmed by Rafael Moreno Rojas, FAO deputy director general and the organization's Latin American and Caribbean representative, after talks with Jesus Benjamin Piloto, vice minister of the fishing industry.

Moreno Rojas, who arrived on 24 October, will conclude his official visit to Havana on 27 October. Since his arrival, the FAO official has visited socioeconomic production centers, many of which have benefited from donations from this international organization.

Spanish Ambassador Reviews Bilateral Relations

FL2710020090 Havana Television Service in Spanish 0100 GMT 27 Oct 90

[Text] Hours after presenting his credentials as the Spanish ambassador to Cuba, His Excellency Gumersindo Rico granted an interview to reporter Nelson Notario Castro.

[Begin recording] [Notario] Mr. Ambassador, at what level are the diplomatic relations between Spain and Cuba right now?

[Rico] In talking about relations—and not only diplomatic ones because the concept of relations is much broader with respect to Spain and Cuba—in talking about relations between Spain and Cuba, in my opinion we would have to abstract ourselves from any time reference, this current moment, etc, etc. The relations between Spain and Cuba are relations that do not respond to motivations of the moment, but rather respond to deep reasons that have permanent validity.

I would say that the relations between Spain and Cuba are relations between two brotherly peoples united by a historic past, however controversial and polemical they may be, but I count myself among those who think that reality has a dialectical structure, and that nothing in reality is one-dimensional. There is light, there is shade, there are negative elements, and there are positive elements. But what matters is synthesis, and synthesis is a result.

That is in reference to what is behind us, to the past. As for the future, the fundamental element that unites us is language, with everything language involves of creation.

[Notario] And with respect to non-diplomatic relations—that is, relations of trade, cooperation, commercial relations between private Spanish companies or state enterprises and Cuban entities—at what level are relations right now?

[Rico] Within Latin America, in economic exchange, Cuba is among the lead group, and it is a lead group made up of very few countries.

[Notario] I have asked you that because there are those around the world who say that commercial and cooperation relations between Spain and Cuba have been damaged and are at a low level. That is why if you say that this problem does not exist, it means that everything is going well.

[Rico] In the commercial aspect of relations, operations are being carried out as always.

[Notario] Do you have any message from your government, any personal message, for the Cuban people?

[Rico] We—the government and I, and all Spaniards—wish for the Cuban people all the prosperity, good fortune, and well-being they deserve because of their fighting spirit, their sense of independence, their deep national feeling, and their position in history.

[Notario] Thank you, Mr. Ambassador, for your words for the news services of Cuban television. You are very kind. Thank you. [end recording]

Anniversary of Relations With Romania Marked

FL2710131290 Havana Tele Rebelde Network in Spanish 1100 GMT 27 Oct 90

[Text] In Bucharest, Romania and Cuba have celebrated the 30th anniversary of the establishment of diplomatic relations. The traditional ties of friendship that unite the two countries were noted during the ceremony. The event, organized by Romanian Foreign Minister Adrian Nastase, was attended by Cuban Ambassador Niel Ruiz Guerra and other officials.

Nastase and Ruiz stressed the positive direction of bilateral relations and its prospects for development. On this occasion, the presidents of the Cuba and Romania, Fidel Castro and Ion Iliescu, respectively, as well as Prime Minister Petre Roman, exchanged friendly messages on 25 October.

Barbados

Sandiford Meets Commonwealth Secretary General

FL2610215090 Bridgetown CANA in English 2139 GMT 26 Oct 90

[Text] Bridgetown, Barbados, Oct 26, CANA—Barbados Prime Minister Erskine Sandiford and Commonwealth Secretary General Chief Emeka Anyaoku held talks here on Friday. The two discussed issues including the possibility of the Commonwealth sending a team to observe elections in Guyana due early next year. Chief Anyaoku arrived here on Wednesday to attend the 11th Commonwealth Education Ministers Conference from October 29 to November 2.

Dominican Republic

Debt Reduction Accord Reached With Venezuela

FL2610211590 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 25 Oct 90

[Text] The Government of Venezuela has agreed to restore the oil credit of the Dominican Republic and begin a program to reduce the amount by which the Dominican Republic is in arrears in debt payments to Venezuela. This was announced by the president of the Dominican Revolutionary Party Dr. Jose Fransisco Pena Gomez who said that the debt reductions would be made through a program of exchanging Venezuelan debt for Dominican debt at a rate of three to one. At the National Palace news conference, the white party leader said that for every three dollars paid into the Venezuelan

Central Bank, six dollars of the Dominican debt would be cancelled. Likwise, a credit of two dollars would be made available for every six dollars Dominican Republic pays to Venezuela on its oil debt, which is payable in four months under the terms of the San Jose agreement.

Government, Business, Church Leaders Confer

FL2610203890 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 26 Oct 90

[Text] Government, business, and Catholic Church leaders held a short meeting after signing an economic solidarity pact as part of the search for solutions to the country's problems. The meeting, held in one of the salons adjacent to the historic Salon of Ambassadors of the National Palace, lasted one and a half hour. In attendance: representing the government—President Joaquin Balaguer, Vice President Engineer Carlos Morales Troncoso, Central Bank Governor Doctor Luis Toral Cordoba, and State Secretary Without Portfolio Doctor Hector Peres Reyes; representing the Church—Monsignor Agripino Nunez Collado; representing the business sector—Jose Gutierrez, Georgi Arseno Drugal, and Jose del Carmen Ariza, among others.

At the end of the meeting, Msgr Agripino Nunez Collado said significant progress was made during negotiations, and indicated that another meeting to continue the search for solutions to the crisis would be held in the coming weeks . He explained that the various sectors are searching for an opportunity to get out of the crisis. He concluded that the cooperation of all sectors is needed now more than ever before.

Central Bank Order Causes Port Congestion

FL2610185890 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 26 Oct 90

[Text] The Central Bank order requiring importers to present Form No. CE-1 to customs officials, as proof that their dollars were acquired under the official system for recovering foreign exchange, has caused congestion at all national ports. The measure was applied retroactively to imports before 25 September 1990. Doctor Hugo Tolentino [not further identified] said that this legal measure by the Central Bank regulates the exchange system of the country, but that many of the decisions of the Central Bank should be discussed and ratified by the National Congress.

Decree No. 410-90, containing the package of tariff measures that will be applied administratively, prohibits the removal of any merchandise from any port that is not supported by an import permit meeting the requirements of the official system for recovering foreign exchange from the Central Bank.

Deputies Approve Capital Repatriation Bill

FL2610181390 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 26 Oct 90

[Text] The Chamber of Deputies approved, in second reading, a draft law obliging Dominican citizens and foreigners residing in the country to repatriate their money from abroad and deposit it with he Central Bank at the official exchange rate. The law, proposed by Deputy Rafael Molino Lluberes, had been approved on its first reading last Wednesday and was approved yesterday with significant amendments in a second reading. The proposal will go now to the Senate. The Dominican Revolutionary Party deputies walked out at the very beginning of discussion on the proposal and accused the president of the chamber of violating the rules.

Union Position on Strike Call Said To Vary

FL2610173290 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 26 Oct 90

[Text] Regarding the 72-hour general strike called for 19, 20 and 21 November, there appears to be a variety of positions among the different union and popular organizations in favor of the strike. The Federation of Independent Workers, the Class Trade Union Federation, the Dominican Confederation of Dominican Workers, and the Union of Workers of the Dominican Electricity Corporation call for the strike on the indicated dates. The Collective of Popular Organizations, directed by Engineer Ramon Almanzar, calls for a five day strike. The first group of organizations is calling on President Joaquin Balaguer to comply with the obligations agreed on in the pact of economic solidarity. The Collective of Popular Organizations, on the other hand, is calling for the resignation of President Balaguer.

Haiti

Three Million Citizens Register To Vote

FL2610184990 Port-au-Prince Radio Metropole in French 1600 GMT 25 Oct 90

[Excerpts] It will not be possible to extend the deadline for voter registration which is proceeding very well throughout the Republic. Registration has been deemed an unprecedented success. About 3,000,000 citizens have their electoral cards which represents a record number of potential voters. Two days before the end of registration no significant incidents have been noted in the Bureaus for Registration and Vote [BIV's] since 5 October, the starting date of registration operations all over the national territory.

It is a different story regarding irregularities. Some examples of incidents that have marked registration processin the capital and the provinces include: the disappearance of the several lots of records in some

BIV's; people who have registered under several different names; people who have used false names and false ages to register several times. In short, it is a number of irregularities like these which have been noted in many BIV's. In spite of everything, the registration operations have unfolded splendidly, especially in the provinces where there has been the most notable participation record. [passage omitted]

This is a total success for the Provisional Electoral Council [CEP] which has been successful in the first two important steps of the electoral process: depositions of candidacies and registrations for electoral cards. People who have received their electoral card yet, have until Friday, 6:00 PM [2200 GMT] to exercise their civic duty.

About the financial matter, the CEP has already taken all the steps needed To pay the BIV's employees over the next week. May we remind you that the CEP had to [as heard] [?did] mobilize some 60,000 people for around 12,000 BIV's during past 22 days of operations. According to official reports many BIV's have been closed in several departments because the records are completed. The registration itself will end Friday, 26 October at 6:00 PM throughout the Republic.

Jamaica

JLP Criticizes New Government Social Program

FL2610190490 Bridgetown CANA in English 1821 GMT 26 Oct 90

[Text] Kingston, Jamaica, Oct 26, CANA—The opposition Jamaica Labour Party [JLP] has criticised the government's U.S. 12.5 million dollar social support programme announced Wednesday as lacking credibility.

"The programme announced lacks credibility and is really designed to soften the electorate for a political poll being taken this week-end rather than to soften the blows being meted out to all sections of the society," the party said in a release.

The Ja 100 million dollar (one Ja dollar = 12.5 U.S. cents) social support programme announced in Parliament by Prime Minister Michael Manley on Wednesday, will be focused on direct employment, a credit system, training, and social projects.

The JLP said that the government had failed to convince that it could be financed. The opposition noted that under the country's economic support agreement with the International Monetary Fund (IMF), Ja 150 million dollars had to be cut from this year's budget. Also, the government will have to find an additional 400 million dollars for debt servicing.

"It is to this staggering amount of Ja 550 million dollars that government now proposes to add another 100 million of expenditure making a total requirement of Ja 650 million," the JLP stated.

The party said that the programme would not be able to soften the massive price increases which have "ravaged" the housekeeping budget of the middle class and increased the number of persons below the poverty line by pushing aspiring members of the working class back into the "vulnerable group from which they were emerging."

Measures To Contain Typhoid Epidemic Instituted

FL2610181490 Bridgetown CANA in English 1657 GMT 26 Oct 90

[Text] Kingston, Jamaica, Oct 26, CANA—In a move to stem the spread of typhoid the Jamaican Government has banned all public meetings of more than 100 people in the south-west coastal district of Westmoreland. Health Minister Easton Douglas, said this was the latest in a series of measures to contain the typhoid outbreak in the area by reducing the "opportunity for mass contact among people in the parish."

Three persons have so far died from typhoid fever and there are 203 reported cases in the area about 120 miles west of the capital, Kingston, the authorities reported. Some 194 people have been admitted to hospital including infants. An outbreak of the disease in the same parish killed four people in July.

Douglas told Parliament Wednesday that the government was spending U.S. 500 000 dollars "to meet priority needs" associated with the outbreak. In addition international agencies have been approached for technical and financial assistance "for effecting relevant long-term improvements to the health system."

The outbreak has been blamed on the continued use of rivers and canals for washing, bathing, and drinking, as well as the consumption of contaminated foodstuff—particularly vegetables—and the possibility of typhoid carriers within the food vending trade, health officials said.

Salinas Outlines Proposed Penal Code Changes

PA2610202590 Mexico City NOTIMEX in Spanish 1849 GMT 23 Oct 90

[Text] Mexico City, 23 Oct (NOTIMEX)—President Carlos Salinas de Gortari announced today that he will propose amendments that will clarify the PGR [Attorney General's Office] functions and consolidate the protection of human rights.

The amendments, he said, are aimed at consolidating the state of law in Mexico and respond to the people's demands for changes within the PGR.

In presenting the "Strategies and Plans for 1990 Changes" within the PGR, Salinas de Gortari stressed that the struggle against drug trafficking will continue with the same intensity as in the past few months without affecting human or individual rights.

"We will not protect the law by violating it," Salinas de Gortari said during a ceremony held at the Carranza Room in the official Los Pinos residence.

The program of changes within the PGR seeks to strengthen the state of law in Mexico and respond to the people's demands for changes within that institutuion, he said.

He then announced in the next period of regular congressional sessions, he will propose amendments to improve the penal code and give transparency to the legal proceedings.

The amendments are also aimed at consolidating the protection of human rights in each and everyone of the legal procedures in accordance with a state of law and will include the conclusions reached by the National Human Rights Commission.

Here are some of the topics contained in the proposals that will be presented to the Congress of the Union:

1. Reiterate the principle that the PGR is responsible for the investigation and prosecution of crimes, and that the Judicial Police are under its authority and orders.

2. The interrogation of a suspected criminal can only be conducted by the PGR and not by the Judicial Police.

3. Confession cannot be the only basis for arresting someone.

4. In any event, confession before the PGR will only be legal if it is conducted in the presence of the defense lawyer or someone close to the individual.

5. Holding anyone incommunicado, or using intimidation or abuse in order to force someone to speak out, will be forbidden.

6. These guarantees will apply during the preliminary investigations and during the legal proceedings.

7. No one will be arrested without an order issued by a competent court in strict compliance with the Constitution; otherwise, if arrested, they must be released. The only exception will be cases of obvious and serious urgency as specified in the Constitution.

8. Any abuse during the preventive arrest should be avoided. Therefore, the various forms of bail, including temporary bail, should be broadened.

9. The PGR will have the authority to request the cancellation of the penal procedures if he has proof of the defendant's innocence, leaving the decision up to the judge.

10. Supply the National Human Rights Commission with legal basis to enable it to request information from public officials.

11. Pay particular attention to the Indian citizens' case.

12. For Indians, there will be a legal obligation to provide an interpreter if they do not speak Spanish. Penal procedures against them will include specific elements so that their protection may be effective and fair after the circumstances are considered.

Salinas said that with these 12 measures, the PGR will be given the respect and admiration that Mexicans desire and demand. This reponds to the citizens' demands.

"I want you to know that you have the Republic president's permanent support for this modernization and tranformation of the PGR," he said.

"I am sure that with this joint effort, we will strengthen the state of law in Mexico and provide a solution to this popular request and demand."

After listening to the report and the changes proposed by the PGR officials, Salinas said that it is necessary to strengthen the institution's capabilities to insure that it can serve society.

Mexico's modernization will only be achieved through laws because laws themselves guarantee the political and economic changes that will result in securing the Republic's liberties and general stability, he said.

He recognized the PGR's efforts to consolidate these changes and apply the law. This shows its determination to prevent flaws, irregularities, arbitrariness, or abuses that could weaken one of the essential elements in the state of law.

Salinas said that by imparting justice, the state of law will be reaffirmed through strict compliance with the constitution and laws by the pertinent offices and institutions.

"We will maintain actions to guarantee the implementation of honest and effective Federal justice which, as all government services, is not granted as a favor, but as an obligation," Salinas stressed.

Present at the ceremony were Government Secretary Fernando Gutierrez Barrios; Comptroller General Maria Elena Vasquez Nava; Jorge Carpizo McGregor, president of the National Human Rights Commission; Carlos del Rio, president of the Supreme Court of Justice; and members of the congressional justice commissions.

Drug Coordinator Defines Policy, DEA Relations

PA2610135090 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 25 Oct 90

[Report by Enriqueta Luna]

[Text] Jorge Carrillo Olea, general coordinator for the investigation and struggle against drug trafficking, stated during a news conference with Mexican journalists yesterday afternoon that there will not be impunity or a witchhunt at the Attorney General's Office [PGR]. Carrillo warned that those who violate the law will be severly punished. During his first news conference, he said that the days of selecting police commanders based on cronyism or political favoritism are over. Carrillo called on police organizations to change their behaviorand demanded that they adhere to President Carlos Salinas de Gortari's policies designed to humanize the police force.

[Begin Carrillo recording] Those who don't understand this call to humanize the police force will inevitably face the law. However, I reiterate that we are not set on revenge because there is no reason for us to do that. We do not want to fire people because this would be pointless. So, there is no witchhunt because that word is not in my dictionary. [end recording]

Regarding the drug struggle, Carrillo said that the entire nation is committed to fighting drug trafficking. Carrillo said that he will try to establish new relationships with the states, and added that he will respect their sovereignty. When referring to the relationship between the PGR and the DEA, Carrillo said that the U.S agents will have to abide by the law as part of bilateral, not unilateral relations.

New Envoy Supports Cuba's Regional Integration

PA2610140390 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 25 Oct 90

[Text] Mario Moya Palencia, Mexico's ambassador to Cuba, says that the Mexican Government will support Cuba's joining the inter-American development system and Latin America, on the basis that relations between sovereign states should be independent of their political regimes. Moya Palencia made these remarks after he was ratified and sworn in. He announced that the Cuban Government will join the Tlatelolco Treaty on the Nonproliferation of Nuclear Weapons in Latin America as an observer

Moya described his designation as an honor, adding that the Mexican Government has entrusted him with a delicate political mission. He expressed confidence that the Caribbean nation will overcome its supply limitations and continue its independent revolutionary development. Ambassador Moya said that he has been instructed to establish commercial ties with Cuba and to strengthen its political and social ties with Mexico.

El Salvador

Government, FMLN Begin New Round of Talks

PA2910033490 Paris AFP in Spanish 0227 GMT 29 Oct 90

[Text] San Salvador, 28 Oct (AFP)—The Salvadoran Government and the guerrillas today in Mexico City began a new round of talks with the mediation of the United Nations. Sources close to the parties told AFP that the talks are aimed at reaching an agreement that will put an end to 10 years of war in El Salvador.

During the last meeting, held in September in Costa Rica, President Alfredo Cristiani's government and the Farabundo Marti National Liberation Front (FMLN) agreed to meet no later than 4 November.

Even though the beginning of this meeting has been kept a secret, Salvadoran immigration sources confirmed that the government's delegation left the country on Sunday. The meeting is supposedly being held at a hotel in Mexico City.

The Salvadoran delegation is headed by Justice Minister Oscar Santamaria. The other members of the delegation are Interior Minister Colonel Juan Antonio Martinez, Deputy Chief of Staff Colonel Mauricio Vargas, and Salvadoran poet David Escobar Galindo.

Alvaro de Soto, representative of the UN secretary general, arrived in El Salvador on Tuesday to prepare for the meeting. De Soto met with President Cristiani and representatives of the political parties. Following those meetings, De Soto met with leaders of the FMLN.

This will be the fifth round of talks between the government and the FMLN since the April meeting in Geneva when a document was signed in which the parties committed themselves to seek a negotiated solution to the war that has already resulted in approximately 73,000 deaths, more than 500,000 displaced, and heavy economic losses.

The talks are being held amid rumors in El Salvador of an alleged military offensive to be launched by the FMLN to pressure the government to reach agreements.

FMLN Leader on Negotiations With Government

PY2610144090 Madrid EFE in Spanish 0045 GMT 26 Oct 90

[Text] Lima, 25 Oct (EFE)—Guerrilla leader Nidia Diaz has stated here that the Farabundo Marti National Liberation Front [FMLN] will continue its armed struggle and that it will increase its activities on the eve of the new round of negotiations with President Alfredo Cristiani's Government.

In a news conference held at the Peruvian Congress building, Diaz said that the Salvadoran rebels and progovernment forces "have the right" to carry out military actions for as long as there is a failure to reach agreement on a cease-fire.

Diaz is contacting political sectors in Lima as part of the FMLN "diplomatic offensive" in nine Latin American countries in the face of the sixth round of peace negotiations with the Salvadoran Government scheduled for 4 November in Mexico.

Diaz reported that this new round of negotiations will focus on the controversial matter of the Salvadoran Armed Forces, whose "total dissolution" is requested by the guerrillas.

She said that until this problem is solved, negotiations will not be successful.

The UN-sponsored talks between the government and the Salvadoran rebels began in April 1990 with the signing of the protocol on the negotiation process. They continued with the draft of the agenda in a meeting held in Caracas in May.

Diaz said that the FMLN proposes a plan to reach an agreement on the cease-fire. This plan would be implemented in stages and it provides for "the end of impunity" for the military, the "reorganization" of the Armed Forces, the "dissolution" of the civilian militias, and the suspension of compulsory military service.

Diaz said that it is a matter of "taming the tiger." She added that the final objective is to reach a joint agreement on the dissolution of the Armed Forces and the FMLN militias.

"The Salvadoran Armed Forces should be dissolved so that the FMLN can be dismantled," Diaz said. She said that the dissolution of the Armed Forces in El Salvador is the only guarantee that the 1994 presidential elections can take place under democratic conditions.

Diaz said that upon the restoration of peace the FMLN will become a legal party although "it would be more convenient" if it did not participate in the government as the Colombian 19 April Movement (M-19) did.

She termed the U.S. Congress decision to cut by 50 percent the military aid to the Salvadoran Government as "important and insufficient," despite the fact that it could favor the round of talks in Mexico.

The U.S. Congress has decided to cut by $42.5 million the $85-million military aid earmarked for the Salvadoran Government in 1991, apparently to make the Cristiani's administration reach a cease-fire with the guerrillas.

This aid, however, may amount to $85 million if the FMLN decides to end the negotiations or to carry out a new offensive; a possibility that has not been ruled out by Diaz.

Colonel on FMLN Violence, U.S. Military Cuts

PA2610230090 San Salvador Radio Cadena YSU in Spanish 1957 GMT 24 Oct 90

[Passages in italics are recorded]

[Text] Colonel Inocente Montano, deputy public security minister, today discounted the use of military force by the Armed Forces to retaliate against the Farabundo Marti National Liberation Front [FMLN]. Montano, alluding to yesterday's bomb attack that killed two people and injured three, said that the Armed Forces should not meet force with force. Montano holds the FMLN and what he describes as radicalized leftist sectors responsible for this action. He said that this situation reinforces the government's stand but not the peace process.

[Montano] *There are radical people who resort to violence and who continue to spread terror throughout our country. Yesterday's action do not help the dialogue and peace process at all. We believe that the FMLN rebels should be careful about their actions because such attacks harm them much more than the Armed Forces. We are doing our job by meeting the aggression logically, orderly, and properly. This aggression is not new; we have been suffering for over 10 years. The reaction to a violent action should also be violent, but we have reached the conclusion that this would probably lead to violence that will have no end. I think we should be aware of the situation and not fight violence with violence. Negative actions do not have to be met with negative actions. I think the people are aware of this. They are supporting the Armed Forces in every way, precisely because of the Armed Forces' sensible and responsible stand.*

Commenting on the 50 percent military budget cut approved by the U.S. Senate, Montano admitted that it will affect the Armed Forces. He said that this is why the Army has initiated an austerity process to make expenditures more reasonable. The Army is trying to make better use of the allocated money, Montano said.

[Montano] *This decision on the U.S. military aid does not favor the government or the Armed Forces. This must be studied by the U.S. Administration because the FMLN is clearly indicating that it does not want peace.*

[Reporter] *Has the high command already studied the 50 percent cut in military aid. What is the Salvadoran Government's position?*

[Montano] *The truth is, this cut affects us to some extent. However, it makes us more reasonable in handling our expenses. We have initiated an austerity plan so that this U.S. aid can be better used and spent according to our needs, thus preventing the cut from affecting operations.*

Regarding the negotiating process, Montano said the Armed Forces is willing to yield as much as possible, although this represents a great risk for the Armed Forces.

[Montano] *We keep supporting the dialogue process of President Alfredo Cristiani. We are willing to yield as much as possible to bring peace to our country. The commission, which has a decided stand, will have to keep it; it is the stand of the Salvadoran Government and people. Although we will risk much, any sacrifice we make will be small if we are to attain peace in the country.*

FMLN on ONUCA's Participation in Raid

PA2710213490 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Oct 90

[Communique issued by the General Command of the Farabundo Marti National Liberation Front (FMLN) issued on 25 October]

[Text] FMLN communique regarding activities carried out by ONUCA [UN Observer Group in Central America] in Managua, Nicaragua.

1. At 1510 on 23 October in Managua, ONUCA military observers—accompanied by a delegation from the Salvadoran Government, Armed Forces, Nicaraguan Government Ministry members, and Sandinist Police—raided and searched the facilities of the religious community known as Church Grassroots Organizations for Ecumenical and Community Services, CEBES [Comunidades Eclesiasticas de Base Ecumenicas y de Servicios].

2. The Salvadoran Government and Armed Forces delegation was headed by Deputy Defense Minister Colonel Orlando Zepeda—one of the main suspects in the murder of six Jesuit priests—who was accompanied by Deputy Foreign Minister Ricardo Valdivieso, Salvadoran Ambassador to Nicaragua Jorge Velado, and 10 Salvadoran soldiers, all in civilian attire. The Nicaraguan Government was represented by Deputy Government Minister Jose Pelaiz.

3. The raid and search was conducted hours after the Salvadoran Government and Armed Forces delegations arrived in Managua on the morning of 23 October and informed ONUCA and the Nicaraguan Government of the alleged operation of Radio Venceremos in Nicaragua from those facilities. Those reports turned out to be false, as the Nicaraguan Government publicly admitted. No weapons or radios were found; just members of a religious community and refugees.

4. According to members of that religious community, the raid permitted Col. Zepeda and the other Salvadoran officials to review documents containing plans and activities to be carried out by Salvadoran social organizations affiliated with CEBES. In addition, probably with repressive purposes, they took pictures and recorded the names of the clergymen and refugees who were there. Col. Zepeda told ONUCA members that this was proof of the ties of cooperation between the FMLN and the Sandinist People's Army, which is absurd.

Regarding this incident, the FMLN states the following:

1. This search and raid action has endangered the lives, safety, and freedom of members of Salvadoran religious and social groups, inasmuch as, according to the Armed Forces, its activities are linked to FMLN plans.

2. The fact that ONUCA accepted the participation of Salvadoran military officers, who are well-known criminals, in an operation in which the only discovery was a religious center linked to similar organizations in El Salvador, implies ONUCA's cooperation with possible repressive actions by the Salvadoran Armed Forces, based on information obtained during the raid. Therefore, ONUCA would be held reponsible for actions carried out against Salvadoran civilian or religious personalities who, as a result of this incident, could be arrested, killed, or tortured.

3. It is regrettable that the Salvadoran Government and Armed Forces have committed a grave violation of ONUCA's mandate, which in no case establishes the participation of Salvadoran military representatives in verification activities or in attempts to arrest FMLN members in a neighboring country. In the case of Nicaragua, ONUCA military observers were never accompanied by commanders or soldiers of the Sandinist People's Army to verify activities of the contras in Honduras. Implementing those procedures in the Salvadoran case would be admitting that ONUCA observers can accompany military or police operations of the Salvadoran Armed Forces against the FMLN in other countries in the area.

4. The FMLN believes that ONUCA's work is based on a mandate from the United Nations stemming from agreements among Central American states, which do not include the FMLN, and that therefore its work is biased. This is incompatible with the impartial mediating role assumed by the UN secretary general for the negotiations between the FMLN and the Salvadoran Government.

The Geneva Agreement establishes equal conditions in the negotiations for both sides. For those same reasons, the FMLN has stated that ONUCA is not the proper verification mechanism in any of the agreements reached by the parties in the negotiation process in El Salvador.

5. We regret the fact that incidents of this nature may politically hinder the UN mediating role for a negotiated solution in El Salvador.

[Signed] FMLN General Command

[Dated] El Salvador, 25 October 1990

Captured FMLN Commander Reveals Rebel Plans

PA2610163090 San Salvador LA PRENSA GRAFICA in Spanish 25 Oct 90 pp 3,45

[Text] Terrorist leader Salvador Roberto Portillo Sandoval, aka "Commander Ramon Suarez," has been captured by the National Police [PN]. He revealed an FMLN [Farabundo Marti National Liberation Front] plan to assassinate Jorge Shafik Handal.

If "Handal, the opportunist," had been eliminated, this would have resulted in a purge similar to the one affecting Salvador Cayetano Carpio, he said.

When confessing to the PN his activities as second in command of the "Aguinada Carranza Battalion," Portillo Sandoval stated that Handal's assassination was not carried out between 1984 and 1988 as it planned due to his strong ties to Cuban dictator Fidel Castro, who was then very important for the supply of weapons. Nevertheless, he asserted, Handal is repudiated within the terrorist ranks "because he is a man who is only interested in his personal benefit—trips, money, and nothing else."

Portillo Sandoval said that following the overwhelming failure of the November 1989 offensive, the FMLN is now more cautious when handling labor organizations, because the information they gave to the terrorist leadership was false and deficient. This was proved by the large amount of casualties sustained, because the conditions they tried to create for the insurrection did not prevail.

"Commander" Portillo Sandoval told the authorities that instead of distributing large amounts of weapons as was done in 1989, this time they are being individually and selectively distributed in small amounts; "and they are being buried in caches" close to the places that will be attacked. The plans have been prepared for October and November 1990. They will be first carried out on a small scale and then on a larger scale and in every direction.

He said that he had participated in last week's attack on the Air Force, which failed, adding that two more attacks are still pending; they will be carried out in the near future. One of the attacks will be against the Armed Forces Telecommunications Training Center (CITFA), and the other will be against the presidential house. The terrorists will attack the capital from the south, particularly from San Jacinto Hill, he stated.

He was in charge of watching the Armed Forces' movements in the capital when he was captured. He also revealed how the rebels organize security operations around the Armed Forces, adding that he coordinated the movements of numerous "FMLN cells" which operate in La Cima, Costa Rica, San Mateo, and Montserrat neighborhoods, located in the capital's southwestern sector; and in the Santa Marta No. 1 and No. 2 neighborhoods, located at the base of San Jacinto hill.

Portillo Sandoval also said that he worked in the installation of radio communication stations to coordinate future attacks on military installations and government agencies.

Referring to the FMLN's future, the commander said that the subversive organization's intentions concerning

the "dialogue - negotiation" is to achieve their "insertion but not incorporation" in society.

Talking about this, the rebel said that enormous differences exist among the subversive leaders, adding that one of them, Joaquin Villalobos—the most fanatic and probably the most "mentally unhinged"—insists on vehemently sponsoring military actions against the government. Joaquin Villalobos insists on strongly promotiong the military actions against the government, and the FPL is the only group that supports Villalobos' "warmongering" position. Portillo Sandoval added that the concept of one army-one party is the one creating the most differences and problems for them. He added that while the European leftist movements support this concept, the Chinese-Cuban line is daily diverging more and more from it.

Portillo Sandoval emphasized that the FMLN's terrorist groups have stepped up the kidnappings of children who do not have the slightest idea about combat; and the groups' leaders believe that indoctrination schools will be able to develop resentment, hate, and rejection of society in their minds. This is important because the children must be convinced that they have to fight against a society that has neglected them and forced them to live in inhuman conditions.

Venceremos Views Senate Vote on Military Aid

PA2610153690 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 25 Oct 90

[Station commmentary]

[Text] The Bush administration is disappointed at the Senate vote holding back half of the military aid for the Arena [Nationalist Republican Alliance] government. The U.S. Senate vote establishing conditions for this aid shows that the Senate concedes that the Cristiani government has not respected the agreements it has signed, is violating human rights, and is an accomplice in the killing of the Jesuits—no progress has been made in the investigations and no trial has been set for the guilty. In addition, the government and the Armed Forces have refused to negotiate to achieve peace. On the contrary, Cristiani has said here in El Salvador that the U.S. Senate decision raises the morale of the Armed Forces and shows understanding for what Cristiani himself proposed in the United States a few days ago. As we see, while the U.S. Government is saying one thing, Cristiani is saying another.

What effect does the U.S. Senate vote have on the Cristiani government and the Armed Forces?

First, Army morale will be affected but not enough to make it change because they still have U.S. support. This lack of morale within the Armed Forces will lead them to desperation and institutional violence. Second, in an effort to continue the war plan, the government will try to replace the $42.5 million that the United States is holding back. This is only possible by playing tricks with the government economic policy, hurting the vast majority of the people or switching funds around in the budget and using international aid intended for social projects to finance the military sector. As a result of these government actions, tensions between social forces and the govenment will run high; then the government will want to strengthen its repressive apparatus to curb popular protests.

We already know who is the liar. But what about the Americans? The Senate vote will not bring about political agreements between the FMLN and the government or a cease-fire. The Americans have two alternatives: They either hold back and establish conditions on the military—something they just did—or promote negotiations, putting an end to their support for the Amed Forces. The latter would be a signal to the Salvadoran Government and Armed Forces that the United States does not want to continue backing criminals.

Official Submits Statement on Jesuits' Murder

PA2910012690 San Salvador EL DIARIO DE HOY in Spanish 27 Oct 90 p 4

[Text] Colonel Guillermo Alfredo Benavides, the chief suspect in the deaths of six Jesuits and a cook and her daughter, was assigned to the National Guard [GN] by the former chief of the Salvadoran Joint Chiefs of Staff. National Guard Chief Colonel Juan Carlos Carrillo Schlenker provided that information in a sworn statement forwarded to Fourth Criminal Judge Ricardo Zamora.

Carrillo was summoned on 2 October to testify before Doctor Ricardo Zamora regarding a General Staff meeting with Army comanders on 15 November, but he sent a sworn testimony since he is out of the country. Afterward, Dr. Zamora sent Carrillo a questionnaire to expand on his statement. In his testimony, Carrillo noted that on 5 January Atlacatl Battalion personnel were sent to his garrison to be temporarily detained while the investigation was conducted.

He added that he was not present when Col. Benavides made an extrajudicial statement, and he does not know who conducted the inquest. Commander Carillo added that no GN member informed the General Staff that terrorists killed the Jesuits at the Central American University. He said that the General Staff commanders attended the 15 November meeting, during which they discussed ways to reinforce measures to defend San Salvador from terrorist activity.

He stated that no GN member was put under the orders of the Army's Security Command Unit, which was set up while the country was immersed in a crisis.

Coprefa Reports on FMLN 'Terrorist' Actions

PA2710232490 San Salvador Radio Cadena Sonora in Spanish 1821 GMT 24 Oct 90

[Bulletin issued by the Armed Forces Press Committee (Coprefa) on 24 October—read by unidentified Coprefa spokesman]

[Text] FMLN [Farabundo Marti National Liberation Front] terrorists yesterday afternoon were responsible for the deaths of a seven-year-old child, Natalia Salazar, and an 18-year-old youth, Gerardo Salazar, as well as the serious injuries inflicted on Marta Elena de Salazar and Vilma Lasso de Molina, as a result of the detonation of powerful explosive devices called tepezcuintes [tanks for liquified gas filled with explosives]. One of these devices hit house number 15 on Los Abetos Street in the San Francisco neighborhood in western San Salvador.

According to the investigations, the terrorist groups were planning to attack the headquarters of the Armed Forces Joint Chiefs of Staff at about 1730 yesterday. The terrorists were using a house in a poor neighborhood, La Fortaleza, to fire the explosive devices they prepared with propane gas tanks—similar to the ones used in the attack against the Salvadoran Air Force.

In addition to the home that was destroyed by the terrorist bomb, two other homes were seriously damaged. The residents of the area strongly condemned the attack staged by the FMLN fighters, pointing out that such irrational actions only cause death and destruction among the civilian population.

The Army deputy chief of staff, Colonel Mauricio Ernesto Vargas, went to the site, and said that these violent actions by the FMLN demonstrate that it does not want peace for the Salvadoran people. In addition, he condemned the serious attack as a flagrant violation of human rights in our country.

Speaking on behalf of the government of the Republic, Mauricio Sandoval, of the National Communications Secretariat, yesterday condemned the treacherous attack of the FMLN that killed two innocent civilians. He described the action as a violation of the agreements signed on 26 July 1990 in San Jose, Costa Rica, wherein the terrorist leaders promised not to jeopardize the lives and property of the civilian population.

Army Reports 50 Casualties in Morazan Operation

PA2810141890 Panama City ACAN in Spanish 1750 GMT 27 Oct 90

[Text] San Salvador, 27 Oct (ACAN-EFE)—In a sweeping operation being conducted by the Salvadoran Armed Forces in the country's eastern sector, the casualty toll has hit 50, counting dead and wounded on both sides, and 10 guerrilla camps were destroyed, an official spokesman reported today. According to this source, 15 FMLN [Farabundo Marti National Liberation Front] guerrillas were killed and 25 wounded in clashes with the elite Manuel Jose Arce Rapid Deployment Infantry Battalion in eastern Morazan Department.

During this operation, which got under way on 10 October to dislodge FMLN positions from Morazan, an area where they are very active, three soldiers were killed and 12 were wounded. The military report noted that the Air Force dismantled 10 mobile camps in Perquin and Jocoaitique, approximately 200 km from San Salvador, and seized a large quantity of war materiel.

The army also confiscated FMLN war materiel in the outskirts of San Salvador and Cuscatlan Department, in the central part of the country. In that department, the Armed Forces destroyed a camp that had a shooting range and trenches, following a clash where five guerrillas and one soldier were killed. These large-scale operations against alleged FMLN positions coincide with similar actions carried out by the FMLN, as the date of the sixth round of negotiations, scheduled for 4 November in Mexico, is drawing near.

A little over a week ago, the guerrillas attacked the Salvadoran Air Force garrison, located 10 km east of San Salvador. The FMLN used powerful homemade bombs that wounded five soldiers and damaged six helicopters. In a similar operation against the army's general staff in western San Salvador, two powerful bombs missed their target and exploded in a nearby home, killing a seven-year-old girl.

Nicaragua

Chamorro Speaks After Signing National Agreement

PA2710051990 Managua Domestic Service in Spanish 0249 GMT 27 Oct 90

[Speech by President Violeta Barrios de Chamorro at the Olof Palme Convention Center in Managua—live]

[Text] Members of the government branches, members of the government Cabinet, members of the board of directors of the national dialogue, members of the diplomatic corps and international organizations, friendly attendants to the talks, special guests, Nicaraguan people:

We have completed six months of government and have demonstrated to the world that we Nicaraguans are resolving our problems. We started the national concerted dialogue more than one month ago with the active participation of all of the responsible sectors of the country's productive process. We finally reached the economic and social agreement we have signed today. Each of the days of this concerted dialogue has been fundamental and historic for the future of Nicaragua. The fact that this whole process was directed to the end by a board composed of representatives of independent and Sandinist unions, private producers, the government, and the National Farmers Union means that Nicaragua is finding its own way to create jobs, increase

investments, boost salaries, and further the economic reactivation we all are expecting.

It was an entire process of sacrifice, devotion, and work. We are aware that we Nicaraguans must thank all of the organizations representing the workers, entrepreneurs, and members of the Nicaraguan Government. This was a democratic feat for all Nicaraguans, and permitted the various groups of society to know each other better and become acquainted with each other's interests and objectives.

We reaffirm dialogue, tolerance, and persuasion as the appropriate means to attain this consensus which, once enacted, will lay the groundwork for Nicaragua's social and economic stability. In this consensus, we have promised to ensure that the benefits derived from this great agreement will not favor a certain number of people only, but rather the civilian society as a whole and each and every one of our citizens.

Our permanent objectives will be to establish social justice and respect for man's fundamental rights. In this context, we will be strengthening our economy, the productive process, and the nation's social stability. Nevertheless, the task has just started. As of this moment, we must rid ourselves of selfish stands and attitudes. Our duty is to work ceaselessly to consolidate peace and democracy and begin the urgent economic reactivation that we all need so much. This consensus binds us to ban illegal strikes, land takeovers, and working centers. We pledge to work for the entire Nicaraguan family, regardless of any differences or political inclinations. Only united will we be able to prove to the world what we can do for the good of our country.

Today, six months after I assumed office as president, I can proudly and fearlessly assert that we Nicaraguans will march forward settling our disagreements sincerely, openly, and in a true spirit of reconciliation. Without a doubt, this national consensus is unique in Nicaragua's history. It is worth celebrating by honoring our families, who are tirelessly working to lift Nicaragua from economic prostration. We regret that an important sector of the country, the entrepreneurs organized into the Higher Council of Private Enterprise, refused to sign this historic document. Some additional points that we wanted to include in this document were not agreed upon. The rest of the points that were included deal with national reconciliation, which are fundamental to all of the participants in the dialogue and the government.

To the friendly countries and the international community: I said at the United Nations on 27 September that we Nicaraguans understood that our personal effort is a fundamental factor and the starting point for the country's economic reactivation through a national economic and social effort. Now I can tell the world that we Nicaraguans are getting results from our willingness for peace and economic reconstruction. We Nicaraguans have made promises to one another. We are asking your cooperation so this effort is not in vain. The construction of a juster society should be our responsibility. We must constantly orient our effort toward leaving for future generations a Nicaragua well founded on the values of democracy, peace, prosperity, and development of social justice. Many thanks to all of my friends who attended this dialogue. [applause]

Pereira Reads National Concerted Agreement

PA2710052290 Managua Domestic Service in Spanish 0135 GMT 27 Oct 90

[National concerted agreement read by Finance Minister and National Dialogue President Dr. Emilio Pereira at the Olof Palme Convention Center in Managua—live]

[Text]**Economic and Social Concerted Agreement Introduction**

On 20 September the Nicaraguans launched an effort to implement a new style of government and consultations on the government development process, taking into consideration all the members of our society. On 27 September President Chamorro addressed the UN General Assembly and issued an appeal to the other nations, urging them to give preferential treatment to Nicaragua, a nation that has barely emerged from a large-scale fratricidal war that resulted in thousands of dead, orphans, and cripples, and which has sustained damage without precedent in Latin America's history.

The possibility of receiving exceptional treatment at the international level will be substantially increased only if a concerted agreement is achieved among the Nicaraguans, thus guaranteeing a stable period for a reasonable amount of time. This will clearly demonstrate to the international community that external resources and aid will significantly contribute toward the solution of the most important economic and social problems being withstood in the country.

Consequently, the undersigned understood that a concerted effort was the effective means to attain two goals. The first goal was to achieve a minimum stability and social peace that will allow us to optimize the use of our energies, to effectively use the scant resources we have, and to create the propitious atmosphere for investment and Nicaragua's economic and social recovery and reactivation.

Second, the concerted effort was a valuable and necessary requirement to achieve a new and dynamic form of relationship with the international community so that it may grant us the preferential treatment we need right now. The tripartite concerted effort included the participation of 35 confederations, federations, chambers, associations, and labor unions, all representing the labor and management sectors. They, together with the government, sought the way to guarantee stability and development.

The national concerted process was broad and democratic, and everyone participated and contributed toward achieving a consensus. We worked together for

15 days and, during the last 36 days, participated in an effort without precedent in Nicaragua's history. The result of these efforts was to identify a large number of practical points of consensus. Former adversaries became participants who grew to personally know each other, and they all worked together to produce vital agreements aimed at solving common problems.

Concerted Economic and Social Agreement

We, the representatives of the Nicaraguan Government and the labor and management organizations, invited by the president of the republic, Violeta Barrios de Chamorro, have participated in the concerted economic and social effort to reach tripartite agreements that will help solve the economic and social crisis prevailing in our country.

We are pleased to inform the Nicaraguan people and the international community that both management and workers—with the participation and under the responsibility of the government—have managed to reach a consensus on the following agreements:

Global Pledges

Exceptionality: The government will adopt, with labor and management support, a realistic program to achieve stabilization and reactivation befitting the exceptional post-war situation that characterizes Nicaragua. We request the support of the international community and the international financial organizations to implement the program.

The exceptionality we ask for consists of a preference for Nicaragua, which favorably solves its delinquency with the IBD and the World Bank, so that the country may obtain net resources from these institutions for 1991; which solves its bilateral debt as quickly as possible by having the creditors state that Nicaragua's reconstruction is currently impossible without an extraordinary exemption from its bilateral obligations; and which generates an increase in donations to face the demands of its social emergency.

Trust and security: First, we recognize that the political constitution of the republic is the cornerstone of a de jure state and, consequently, it must be respected and obeyed by the government and the people. The constitutional reform initiatives that may be considered necessary by the groups of our society that participated in this forum must be channeled according to the procedures established in the Constitution. Second, we recognize that it is indispensable to guarantee a de jure state and social peace for the welfare and protection of all the Nicaraguans. We believe that a de jure state is the one in which the supremacy of the constitution and the laws is recognized, and in which the government and the people recognize that supremacy and their obligation to accept it.

Third, we recognize the creation of and work carried out by the National Agrarian Commission in its role as advisor to the presidency. This tripartite and broad commission should immediately strive to achieve just and equitable solutions, giving priority to the problems that currently prevail in critical agricultural zones. The agrarian reform law must be immediately put into force to regulate the actions of the INRA [National Institute for Agrarian Reforms] and to define the country's agrarian reform policy.

Economic Policy Stabilization: We recognize that one of the main problems in the country's economic and social life is inflation, which must be reduced to levels that restore the trust of all the sectors of our society.

Exchange and monetary policies: We recognize that economic and exchange policies are not goals in themselves, but basic instruments to move ahead gradually toward stabilization of the economy, to guide the adjustments, and to encourage the productive sectors needed by the country. To this end, and consistent with our intention to reduce inflation, we will soon halt the circulation of different currencies, leaving only the gold cordoba, and thus contribute to the elimination of economic indexation. Exchange policies will have exports as a priority goal to encourage continued economic reactivation.

Credit policies: We recognize that one of the economic plan's chief goals is the reactivation of the production sectors, such as export production, basic grain production, as well as small, medium, and large industries. The government must especially procure funds needed for harvesting the crops and for financing large, medium, and small industries, which are imperative for the country's reactivation.

Fiscal policies: We recognize that the public deficit is one of the many factors affecting inflation. Consequently, inflation must be reduced hand in hand with the current limitations imposed by the need to attend to the country's most serious social problems. We also agreed that the deficit reduction must be balanced between the need to rationalize public spending and increase tax collection based on the principle that he who has more should pay more. The government should emphasize improved tax collection methods and reduce tax dodging. The government should implement austerity policies, cut superfluous spending, and cut oil consumption. Military spending should also be reduced in accordance with the Esquipulas Agreement. As far as the social side is concerned, health and education budgets will receive top priority for what is left of 1990, maintaining the current levels. Health and education will be the most important sectors in the 1991 budget proposal, which will be forwarded to the National Assembly in November. This budget proposal states that the 1991 budget, in real terms, cannot be less than the 1990 budget. Because of their scope, these agreements were considered global, overall agreements.

Sector Agreements

Credit, investment, and production: First, the participants agree to gradually eliminate credit and its inflationary role, as well as to ensure the efficient use of

credit. The government will attempt to quickly deliver financing to priority sectors. Second, the government will immediately restructure basic grain harvest credits, first to those producers affected by drought, as well as to coffee producers in Regions 2, 3, and 4, which, according to the Agriculture and Livestock Ministry, have been affected by abnormal climatic conditions. In these cases, this year's production figures will not be taken into account for future statistics. Third, the government shall oversee the compliance of tripartite agreements in construction and textile sectors. Fourth, the following activities are a priority for production and credit assignment: cotton, coffee, sesame seed, basic grains, cattle ranching, peanuts, bananas, sugarcane, and small industries. Fifth, consistent with foreign loans obtained, the government shall develop a program of public investments intended to reactivate economic activity as well as to create new jobs and rebuild the productive and social infrastructure.

Return, privatization, and workers' participation: With the current ways of owning property in Nicaragua, in accordance with the Constitution, the needed guarantees will be given to attain the full incorporation of these properties, aimed at the common goal of increasing production, rebuilding the country, and enhancing the country's production and social progress. When privatizing state- run enterprises, the government will take into account the workers' rights as well as its right to own the same. The participants agree that in cases when property and rights have been unjustly taken away, they will be totally or partially returned, or compensated for in accordance with the government's economic possibilities. The workers of these enterprises will supply evidence and recommendations to the corresponding legal offices. By the same token, the government shall respect property distributed privately or by associations prior to 25 February 1990, taking into account that the original owners who have had the property unfairly confiscated or expropiated will receive proper compensation in accordance with the government's economic possibilities.

Public services: First, we recommend that the government control the spending of autonomous institutions to fix service rates and maintain their financial balance to ensure that:

First, a preferential rate system for the lower-income sectors is established, and second, a rate that really motivates the use of energy for irrigation and small enterprises is established, in view of the need to increase the country's production.

We recommend austerity and transparency in the use of the resources by the service enterprises, as well as in their acquisition of goods and supplies.

The projects will be carried out in accordance with public bidding procedures without discrimination as to the bidders' forms of property.

Employment and Salaries: The government will promote the country's economic reactivation to effect the gradual reduction of the existing unemployment, thus developing new sources of productive employment and easing the transfer of resources from unproductive to productive sectors.

The government pledges to fix a minimum salary based on a percentage of the 53-product basic food basket, as well as to create a mechanism to review salaries in relation to the basket's variations.

The government will ensure that the payment of the 13th month bonus will be equal to 100 percent of the last monthly salary earned.

Labor-Legal Aspect: The government will promote the proclamation of a new and modern labor code, of an effective labor procedures code, and the creation of the Superior Labor Tribunal, in which all the sectors involved in the labor relationship will be represented. Also, the civil service law will be immediately reactivated.

Second, the collective labor agreement—held in compliance with the labor code, the international agreements of the ILO [International Labor Organization], and the other pertinent laws—will regulate the worker-employer relations. Thus, all the parties must promote the signing of these agreements where needed, and will guarantee compliance with the signed agreements.

Third, the legitimate right to strike is recognized, acknowledging that the procedures for the exercise of this right must be reviewed.

Financial Institutions and Foreign Commerce: Within the framework of Nicaragua's Constitution, the government will be able to authorize the operation of private financial institutions with regulations to guarantee that the national financial system may continue to provide the main support for the farming, industrial, and commercial sectors.

The national financial system will continue to grant loans to the small-scale rural and urban producers on a preferential basis and according to economic and agricultural criteria that will guarantee the collection of the loans. The degree of freedom with which private financial organizations can operate will be determined by the National Assembly. For this, it will be necessary to create a bank superintendency. The government will issue export permits to associations of producers and individuals who, in the framework of the Nicaraguan Constitution, will help promote the efficiency of the country's exports and pay higher prices to producers.

Commitments:

The commitments made by each of the sides represented in this consensus, the workers, the employers, and the government, will now be presented.

Workers' Commitments:

1. We the workers agree to contribute toward stability and social peace;

2. We the workers agree to increase and maintain the efficiency and productivity of our work, comply with collective contracts with employers, and exhaust the negotiation and dialogue mechanisms and legal instruments before using our right to strike. We are willing to abide by the concerted salary adjustments to aid discussion, cut down on labor absenteeism, and improve discipline at the work place.

Employers' Commitments:

1. We the employers agree to contribute toward stability and social peace and develop harmonious labor-management relations;

2. We the employers agree to create a climate for foreign investment in our country and for Nicaraguan investment abroad, so that investments here can contribute to development. We agree to help increase the number of fiscal taxpayers and encourage the payment of taxes;

3. We the employers agree to negotiate and comply with the collective contracts signed with workers;

4. We agree to rationalize the marketing and profit margins to make prices moderate and increase competitiveness;

5. We the employers agree to increase investment by increasing production and efficiency. We agree to create more productive jobs;

6. We agree to create a job bank to facilitate the hiring of public employees who desire to shift to the productive sector;

7. We the employers agree to use bank loans wisely;

8. In the spirit of free enterprise and to encourage healthy competition, we the employers agree to make efforts to incorporate the informal sector into the economy's formal sector.

Government's Pledges:

1. To apply and make available the necessary financial resources for the fulfillment of these accords;

2. To intercede to eliminate attitudes and actions that may lead to political vengeance, especially in the rural sector;

3. To respect the employment and salary policies agreed upon in this national dialogue;

4. To establish preferential rates for public services—water, electricity, sewage—for lower-income citizens;

5. To guarantee compliance of agreements signed by the government at various levels;

6. To incorporate these agreements in the government's efforts abroad;

7. To guarantee an effective disarmament of civilians.

I have read the commitments of each of the sectors, commitments they are each bound to separately. There is also a commitment that all sectors are committed to together:

All sectors must guarantee a stability that will allow us to implement these agreements, especially during the next six months. To this end, the sectors involved in this dialogue agree to settle any conflicts through negotiation and dialogue in order to guarantee that production activities and the rendering of services are uninterrupted.

Finally, we included a commission to permanently follow up on this agreement, verify the progress of this concerted effort, and make this a reality. For this, we have the commission for the verification and followup of the agreements. This commission is made up of the current members of the board of directors of the national economic and social dialogue. This will be a permanent commission which will convene in accordance to the social and economic needs. This commission will be responsible for drafting an agenda and recommending the necessary actions to extend the climate of social stability for the 1991-1992 agricultural cycle.

Managua, 26 October 1990

Cosep Furthers Debate Over National Dialogue

Issues Communique

PA2710035090 Managua Domestic Service in Spanish 1815 GMT 26 Oct 90

[Communique issued by the Higher Council of Private Enterprise (Cosep) in Managua on 24 October]

[Text] Cosep, through the present document, informs the Nicaraguan people of its current position concerning the latest events at the national dialogue. Up to this point, Cosep has made every effort to contribute to the success of the economic-social national dialogue sponsored by the government, aware of the very serious crisis Nicaragua is experiencing and the urgent need to reach a broad national agreement between the different sectors that form the country's economic and social forces.

Aware of the role it plays in national life as the leader of the independent business sector, Cosep has shown throughout the course of the national dialogue that it is very interested in cooperating with the difficult tasks undertaken and that it has the patriotic determination to contribute its share of sacrifices, experience, and knowledge so that a broad social pact can be achieved to ensure economic reactivation, democracy, justice, and peace.

The Cosep, basing its actions in the immediate future within the national dialogue upon the high principles stated earlier, has established its position concerning the latest document issued by the government. Even if the Cosep generally approves of the document, especially where it reduces hyper-inflation, the fiscal deficit, and

the state apparatus through occupational reconversion for production, as well as the size of the Army, it cannot support such a document as long as it fails to include points which had been approved by consensus by their respective national dialogue commissions, and contained important agreements, among which are:

a. The agrarian commission's nature and composition.

b. The scope of the process whereby properties that were confiscated or unjustly and illegally affected are returned.

c. The national dialogue must be dealt with as a unique forum.

d. The creation of the technical judicial commission as an essential organ for the achievement and perfection of the de jure state.

For justice to be effective, the Cosep firmly supports a text that will gather and summarize the feelings of all Nicaraguans with regard to the scope of Decree 11-90, especially those who are still in exile and whose properties were unjustly confiscated.

This text must state: Within that which is established in Decree 11-90 and other applicable laws, the properties and rights unjustly confiscated or affected in any way or at any time should promptly be totally or partially returned. Likewise, for Decree 11-90 and other applicable laws to be truly effective, Laws 85 and 86 should be abolished, and their effects totally annulled. For the purpose of giving all Nicaraguans who are entitled to have their properties returned, but have not yet filed their requests, the period established by Decree 11-90 should be postponed for one year. Once the indemnification is made through the distribution of state bonds, the bonds will be subject to preferential rates for the purchase of properties and firms that are to be privatized.

Cosep's position regarding these issues is irrevocable. Cosep wants the government plan for which the people voted on 25 February 1990 to be fulfilled, because it will lead us to a de jure, transparent, and fair government that will prevent immoralities such as the sacking of state properties, which could justify usurpation, robbery, and crime for future generations.

Managua, 24 October 1990

[Signed] Higher Council of Private Enterprise

Refuses To Sign Document

PA2710030390 Panama City ACAN in Spanish 0210 GMT 27 Oct 90

[Text] Managua, 27 Oct (ACAN-EFE)— The Nicaraguan private enterprise delegation withdrew today from the "economic and social concerted effort" because the government is legalizing the properties distributed during the Sandinist regime, spokesmen for the businessmen have announced.

Gilberto Cuadra, president of the Higher Council of Private Enterprise (Cosep), said in a very irate tone that "it is not reasonable or fair that justice is not being done regarding the pinatas that the Sandinist government carried out prior to surrendering power" on 25 April.

"Our position is one of ethics and honesty, and we will not sign a disadvantageous document that legalizes the booty taken by the Sandinists between 25 February and 25 April," the Cosep leader said as he withdrew from the forum before the meeting concluded.

Cuadra resigned from his post as one of President Violeta Chamorro's Cabinet ministers because she ratified General Humberto Ortega as chief of the Armed Forces.

President Chamorro was unable to convince the Cosep representatives to sign the government proposal which, according to government sources, sums up the points of view of the 34 organizations that participated in the forum and will be used to prepare an economic plan.

Cosep Vice President Ramiro Gurdian thanked Chamorro for the gesture of attempting to persuade them to sign the government proposal, but he said that Cosep cannot "allow the Sandinists to keep the properties distributed prior to their electoral defeat. [no end quotation marks as received]

The government proposal was signed by union representatives and by pro-government and Sandinist organizations.

Government spokesman Daniel Lacayo said that the agreement would be signed by the rest of the participating delegations "because this is a democracy and the majority always prevails" in any discussion.

Gurdian Justifies Action

PA2810000190 Managua Radio Sandino in Spanish 1200 GMT 27 Oct 90

[Text] Cosep Vice President Ramiro Gurdian believes that the concerted agreement is only a short-term solution because it does not ensure the return of confiscated properties. It is not clear how there can be peace in Nicaragua unless confiscated properties are returned and properties that were distributed by the Sandinists between 25 February and 25 April are reviewed, Gurdian says. He also continues to link justice to the return of confiscated properties, and clarified that his motives were not aimed at Cosep's replevy.

[Begin recording] [Gurdian] No, we are not pulling out. What happened is that the process ended and a document was drafted that we do not fully agree with. We agree with many of the parts, but there are several important things that we do not agree with.

[Reporter] Do the parts you do not agree with directly affect Cosep's economic interests?

[Gurdian] We are not thinking of associations or our economic interests; we are thinking of Nicaragua.

[Reporter] Does Cosep's refusal to sign the agreements have to do with other things?

[Gurdian] Simply put, these agreements do not make it clear that there will be lasting peace in Nicaragua.

[Reporter] Why?

[Gurdian] The agreements are just a short-term solution, and we are not willing to go along with that.

[Reporter] Why would these agreements not be a true solution?

[Gurdian] Because all they do is try and patch up the real problem, which is Laws 85 and 86. We are tired of saying that this is where the Sandinist pinata began, and we do not agree with it. Basically, we agree with Decree 11-90, but that too is unclear. We have decided not to sign until Decree 11-90 is clarified and Laws 85 and 86 are repealed.

[Reporter] What do you believe will be the consequences for the country due to Cosep's refusal to sign the concerted agreement?

[Gurdian] I believe that all Nicaraguans realize that Cosep is thinking of all Nicaragua.

[Reporter] What will Cosep's next step be in relation to the country's political, economic, and social life?

[Guardian] The one thing I am sure of is that I am going home to catch some sleep. We can discuss these things at some other time. [end recording]

Lacayo Comments on Refusal

PA2810024990 Managua Radio Sandino in Spanish 1200 GMT 27 Oct 90

[Text] Presidency Minister Antonio Lacayo has said that the Cosep [Higher Council of Private Enterprise] did not sign the concerted agreements because they cling to the past. The agreements, however, are crucial for the future. The Nicaraguan Government opted last night to sign the concerted agreement with the workers rather than give in to Cosep's demands of returning confiscated property. Antonio Lacayo, one of the agreement's authors, believes that the Cosep has clung to the past and has not looked to the future. He said that, in practice, Cosep's absence from the agreements does not invalidate them. Let us listen to Antonio Lacayo:

[Begin recording] [Lacayo] This is a crucial and historic agreement that will have a strong influence and role in defining a new society. Nicaragua is beginning a very important new stage in its history; it is beginning to walk the path of a concerted effort. The forces that influence the country's production will bring a stage of stability and peace to the country because, if all the sectors that signed comply, Nicaragua will definitely belong to all Nicaraguans.

[Reporter] What effect will Cosep's refusal to sign these agreements have?

[Lacayo] From a practical point of view, none whatsoever. All along during these meetings, Cosep appeared to agree with practically all the points in this document; in other words, how this society should behave in the future. They wanted, however, to make certain changes to past items. Cosep wanted to add certain items, but found no support from the rest of the participants, and this is what prevented them from signing the document. These are matters that have remained in the past—dealing with properties which have been handed out—and that will have very little effect on this country's future. [end recording]

Cosep, FSLN Members View Concerted Effort

PA2710163790 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 15 Oct 90

[Report on interview with Engineer Ramiro Gurdian, vice president of Cosep (Higher Council of Private Enterprise), and Commander Bayardo Arce, deputy coordinator of the FSLN (Sandinist National Liberation Front), by unidentified reporter; place and date not given]

[Text] Land tenure is one of the many problems that are slated for discussion during the national dialogue. While considering how timely it would be to delve into this topic, we ran across Cosep Vice President Engineer Ramiro Gurdian, who was here at Coro de Angeles making a recording; and Commander Bayardo Arce, deputy coordinator of the FSLN Executive Commission. They both agreed to discuss the topic. We began recording their discussion, which will surely interest many Nicaraguans. Gurdian and Arce crossed the t's and dotted the i's. They brought up a number of issues regarding the national dialogue and the search for a concerted agreement.

[Begin recording] [Unidentified reporter] Our impression is that Engineer Ramiro Gurdian is uncomfortable with the national dialogue. Are you uncomfortable or unhappy with this attempt to reach a concerted agreement?

[Gurdian] I have never said that I disagree with the search for a concerted agreement. I fully support this effort. What I do not agree with is this constant giving in to the organizations of the FSLN. I do not agree with this.

[Reporter] Are you trying to say that this government is a pushover?

[Gurdian] Absolutely. I have said so on many occasions. The government is forever giving in to the FSLN, and the FSLN is using a number of tactics to browbeat the government into submission.

[Reporter] Well, by a stroke of luck we also have Commander Bayardo Arce here with us. Commander, we were discussing the atmosphere at the national dialogue, and

Cosep believes that the government is a pushover and gives in to FSLN pressure. How do you feel about this?

[Arce] I believe that the Cosep position can be explained by the fact that the businessmen who make up the organization are bent on recovering the power they lost on 19 July 1979. They expressed their hopes of recovering power by drafting a government platform together with the U.S. Embassy during the past elections. They called this platform the blue-and-white plan and tried to nominate Cosep President Enrique Bolanos for president. They failed miserably. They did not manage to impose their platform, and they did not manage to nominate their candidate. Even though the current government is predisposed to favoring business interests, it has not been obeying the Cosep orders.

In my opinion, Cosep would like to be the power behind the throne. It would like to be making the decisions while the government simply implements them. Since this is not the case, Cosep is accusing the government of being a pushover.

[Reporter] Gurdian, is this the real reason Cosep is accusing the government of being a pushover?

[Gurdian] No. We charge the government with being a pushover because, for example, when the FSLN.... [changes thought] What did the FSLN do in July? It destroyed our capital city. It tore up the streets. Was anyone arrested? No. If this had occured when the FSLN was in power.... [changes thought] We simply sent out a letter and were thrown into jail. Imagine if we had torn up a street or done something similar! The FSLN was strict. The FSLN was the government. In my opinion, then, the members of this government are not governing. One must bear in mind the FLSN's promise that it was going to rule from below. That is exactly what it is doing, but it is accomplishing it through blackmail. Bayardo knows this quite well.

[Reporter] Is this true, Commander Arce?

[Arce] No. I believe your friend is contradicting himself. He is asking for this government to be similar to the Sandinist government.

[Gurdian] That is not what I am asking!

[Arce] Presumably what should be changed is the nature of the Sandinist government. Gurdian says that the FSLN government put down protest demonstrations, so he wants this government to do likewise. But if that were the case, then the change promised by President Chamorro—that was harped on over and over again—would not come about.

[Gurdian] You are going to the other extreme. What I am saying is: The FSLN was an entirely dictatorial government. Whenever anyone mentioned a strike, it said: We will blow off the hands of anyone who goes on strike! Anyone who opposed....[changes thought] Just remember the workers strike.

[Arce] Do you believe that Mrs. Chamorro would do that?

[Gurdian] No sir, and I am not urging Mrs. Chamorro to do so. I believe, however, that Mrs. Chamorro is allowing you people to abuse her, and this should not be the case. Abiding by the law is one thing, and abuse is another.

[Reporter] What would you have done, Eng. Gurdian?

[Gurdian] I would enforce the law.

[Reporter] What does the law say in this case?

[Gurdian] For example, if property is damaged, whoever owns the property—even if it is the Sandinist Front—should be compensated according to the law. Yet, damage has been done here, damage to the entire country, and no one is being held responsible.

[Reporter] Maybe the damage was caused by the war?

[Gurdian] No, I am referring to July, the July disturbances. I think the FSLN really messed things up. When the dialogue began, the FSLN said that it wanted to reach an agreement, but then did not show up. Only Humberto Ortega and the Army Staff showed up. I do not know if this is what you have in mind.

[Arce] They are not part of the FSLN, but of the Nicaraguan state Army.

[Gurdian] An army that is Sandinist by law.

[Arce] They are professionals.

[Gurdian] An army that belongs to the FSLN by law.

[Arce] Everyone seems to be in error in this regard.

[Gurdian] I thought the people....

[Arce, interrupting] I thought the 's' in Cosep stood for Sandinist.

[Gurdian] I beg your pardon?

[Arce] I thought the 's' in Cosep stood for Sandinist.

[Gurdian] Thank God, no.

[Reporter] We are talking about capital and the country's great economic problems. Will Cosep, within this concerted effort, respond to the request to repatriate capital?

[Gurdian] For 11 years, the private sector was completely dominated and controlled by the Sandinist Front. The Front directed and planned the country's economy. It was the Front that said what and when to plant and what prices would be paid. As I see it, the Front confiscated the crops. The private sector is bankrupt. We must admit this. Those who want money, which they did not have for 12 years, are the people of Sandinist Front. Here we have Bayardo, who is now an entrepreneur and who I think will file a request to Cosep.

[Reporter] [Words indistinct]

[Arce] First, I think Eng. Gurdian keeps contradicting himself. If the entrepreneurs plan to declare themselves bankrupt, they should have kept their mouths shut in the concerted effort. They have neither voice nor vote. They are nothing. I think the reason for their being seated with the government and the workers is because they represent capital. If they say they have no capital, however, they should not attend the sessions any longer. They should organize a union and attend the meetings as such to negotiate. As for the Sandinist Front, we have acted as entrepreneurs all along. We have said so before the Political Parties Council and the Higher Electoral Council because this is what the law stipulates. We own newspapers, radio stations, bookstores, and other such activities that serve precisely to support the Sandinist Front. In addition, we have the testimony of international solidarity and members' contributions. Eng. Gurdian is unable to understand simply because of the way he is. It is very difficult for him to understand that an entrepreneur on 19 July 1979 could have given his farm or business to the Sandinist Front because he thought that with the revolution's victory....

[Gurdian, interrupting] You could not know who those entrepreneurs are.

[Arce] A large number of people handed over their property....

[Gurdian] They have been returned to them already.

[Arce] Some of them have been because they were handed over to the state. If a government official, who had been earning a miserable salary of $80 or $100, which you yourselves criticized, had handed over his property to the state, is it not logical that, when the Sandinist Front loses the elections, the properties remain in the possession of a government that, in addition, has announced it will privatize those properties. This entrepreneur handed over his property to a popular government and this government now hands over property for almost nothing to nearly bankrupt entrepreneurs. You people have no money to buy back the properties.

[Gurdian] All right, all right. I will answer each of your objections. First, can we speak of manipulation when she [President Chamorro] desired to bring capital from abroad?

[Reporter] How about your capital, Eng. Gurdian?

[Gurdian] From abroad. I have not said this did not exist.

[Arce] Do you now have capital abroad?

[Gurdian] I do. But very little, mind you.

[Arce] [Words indistinct]

[Gurdian] I have investments. I had to, because with all that you people were confiscating, I would have been left destitute.

[Reporter] Eng. Gurdian, one question....

[Gurdian] The private sector indeed has the means of production. What it lacks is cash, like the Sandinist Front has. We are in the concerted effort because of such means of production. We want to get this country moving. Capital cash, which you supposedly have, is something different. I do not know where you people got it. The Sandinist Front says it owns newspapers. BARRICADA belonged to Somoza. You people seized it and put it into the hands of the government. In the outset, you confiscated NOVEDADES.

[Arce] I would like to invite you over to visit BARRICADA. There we have Central America's largest graphic industry, which was donated to the Sandinist Front....

[Gurdian, interrupting] Was it not to the government?

[Arce] ....by the defunct Socialist Unity Party of the GDR....

[Gurdian, interrupting] Was it not to the government? Was it not to the government?

[Arce] No. This indicates a relationship between parties. Something similar happened when we were given [words indistinct].

[Gurdian] [Words indistinct].

[Arce] If you want, we could sell you the old machinery of BARRICADA [words indistinct] NOVEDADES belongs to the state.

[Gurdian] Oh, you people bought it from the state?

[Arce] [Words indistinct].

[Gurdian] It shows a lack of honesty for the government to sell things to itself.

[Arce] The entrepreneurial government cannot sell things to entrepreneurs.

[Gurdian] [Words indistinct].

[Arce] Pereira is an adviser to the entrepreneurs. You people cannot privatize anything because you would have to sell to yourselves.

[Gurdian] We have nothing to do with the government. We are not part of the government.

[Arce] [Words indistinct] was of the Cosep. Rondon [Ana Lorena Rondon, president of the National Confederation of Small Industry, Conapi] was of Cosep. Mario Martinez [not further identified] is of Cosep. All of them are entrepreneurs and cannot sell to the government. A government of entrepreneurs cannot sell to entrepreneurs. It must sell to another union. Only to unions.

[Gurdian] [Words indistinct].

[Arce] Because a government of entrepreneurs cannot sell to itself. This is what you are saying.

[Gurdian] No, I am not saying that.

[Arce] A Sandinist government could not sell to a Sandinist institution.

[Gurdian] No. You were in the government of the Sandinist Front.

[Arce] [Words indistinct].

[Gurdian] Who was it?

[Arce] Elected by the people. [Words indistinct].

[Reporter] Pardon me. I was trying to ask you if Cosep, as a contribution, will request the repatriation of capital that was taken out of the country over the past 11 years?

[Gurdian] If Arce asks all the other commanders to bring their capital back to Nicaragua, I pledge to have the private sector do likewise.

[Reporter] We are speaking of Cosep.

[Gurdian] I am saying that I pledge to do that.

[Reporter] Will you do it?

[Gurdian] I promise to have them repatriate their capital.

[Reporter] [Words indistinct].

[Gurdian] Yes, but I do not know which capital you are talking about.

[Reporter] Of capital, you say that anyone who has something [words indistinct].

[Gurdian] I cannot transfer industries back here. I cannot.

[Reporter] This is another question I have for you. Is it possible for capital to work without workers?

[Gurdian] No. We have no problem with workers. We do have trouble with the Front. I am convinced we will be able to persuade the Front to be more responsible and that, if the Sandinist Front wants to continue as a responsible organization, then it must change.

[Reporter] Eng. Gurdian....

[Gurdian, interrupting] I have always said that the Sandinist Front must have its proper place. It is a large party. It is the largest party in Nicaragua. I concur with this. It is one thing, however, to assign it a specific place; it is something quite different to allow the Sandinist Front to commit abuses. This I cannot condone.

[Reporter] Another question. Is it possible to [words indistinct] the Sandinist Front?

[Gurdian] No, it is impossible.

[Arce] I think it is important to clarify that it is absolutely false that any Sandinist commander has money either in or out of the country. We, the Sandinists, as Daniel Ortega pointed out when we accepted the electoral defeat, were born and will die as poor individuals. We have pointed out, we do not deny it, and I insist that it is registered in the country's legal files, that the Sandinist Front, as a party, possesses patrimony with which it has been and will continue to be supported in its work. In addition, I believe...

[Gurdian, interrupting] That it is a society?

[Arce] Ramiro, I view this type of remark within a framework of political confrontations. I do not believe that the solution for our country will lie in our attempting to prove one another wrong. It is even contradictory to say that we are the largest party, while trying to diminish the moral stature of an interlocutor without which it is impossible to hold a dialogue. I consider this to be the same kind of mistake made by LA PRENSA with its ill-intentioned campaign during all of these months to try to reduce the moral authority of the Sandinist leaders. One reaches a logical conclusion. If we, the Sandinist leaders, are thieves, as LA PRENSA has attempted to make the people believe, then why does the government call on us to talk? We would not talk with thieves or ascribe them the least credibility. Consequently, I think we are living in a crucial moment of our country's history. The war years left a country destroyed, both materially and economically, with great accumulated social problems. This led us to say in Mexico that in Nicaragua we would either unite or sink. When we say unite we mean unite with Cosep, the counterrevolution, and the UNO [National Opposition Unity] parties, all of us contributing with the Nicaraguan spirit. This does not mean, however, that we will not continue to have political disagreements. I cannot imagine Gurdian a Sandinist Front member or myself belonging to CoseP. We will have disagreements. It is important, however, that we approach these local problems with a different frame of mind. If, every time we meet in a forum we try to discredit one another, we will get nowhere. We would set further back the possibility of communicating with one another. I believe one of the problems with the concerted effort is that it is being conducted as a television spectacular. If I am aware that a lot of people are watching me on television—at least those who are interested or are idle, not everyone can be watching television all day long—I will not try to find solutions, but try to shine in front of the people or whomever I would be representing. If I were in the government, I would not recommend conducting a dialogue in which only nonsense is spoken. If the talks are held, they should not be carried on television.

[Gurdian] They are not.

[Reporter] Engineer, the time is up.

[Gurdian] They are not.

[All three speak at once for unintelligible effect]

Presidency Minister on Economic Crisis Effort

PA2610201690 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 26 Oct 90

[Statement by Presidency Minister Antonio Lacayo in Managua on 25 October—recorded]

[Text] When the government of Mrs. Violeta de Chamorro was sworn in on 25 April 1990, exactly six months ago, we all knew that the two leading priorities of this government were to solve the war problem and to overcome the economic crisis. All Nicaraguans pinned great hopes on this government, which resulted from free elections, because they wanted an end, once and for all, to the serious problems that cost Nicaragua so much—the war and the economic crisis.

During the first six months of this government, we made an effort to deal with the most important problem, the war, which was overcome with the signing of the agreements that were initiated in Toncontin and that were continued at the Olof Palme Convention Center, and finally here at the Presidency. It concluded with the disarmament of approximately 20,000 members of the Nicaraguan Resistance on 29 June. This great problem, this great challenge that existed on 25 April, has been overcome. Nicaraguans are no longer killing themselves for political or ideological reasons. There are some land problems. There are some confrontations, but this is different. A large number of Nicaraguans have returned to the country to participate in productive activities. They are seeking land and are exerting pressure to achieve that goal. We are already trying to solve this problem through the National Agrarian Commission. We can categorically say that the war, which lasted practically 10 years, was overcome in the first six months of the Violeta Chamorro Government.

The second greatest problem, the second great task, the second challenge was to resolve the economic problem. This is much more difficult than what the government expected. The economic situation of the country is serious, and all Nicaraguans know this. Those who try to hide this fact are being irresponsible. The situation here is difficult. Problems have accumulated here for many years. The world situation today does not help us overcome this crisis easily, however, we are dedicating all our efforts to this second challenge. The government decided several weeks ago, several months ago in fact, that to resolve this second problem we had to call for a great national dialogue. We had to implement a new fundamental postulate of the Violeta Chamorro government program, which was to conduct a concerted effort. We needed to achieve a concerted effort between the government and all sectors of society aimed at achieving the reconciliation of the Nicaraguan people, the construction of democracy and peace, and overcoming the crisis in the country.

The government program stated that this national commitment, this concerted effort had to include the participation of all groups; it had to be a fundamental element in achieving the nation's unity, and it also had to go beyond political party interests.

For 36 days, the government, which [words indistinct] the producers of this country and the Nicaraguan workers have been working intensely to achieve this great national commitment at the national dialogue, which will allow us to overcome the crisis.

We believe, we are very hopeful, that tonight we can reach an agreement that can allow us to achieve stability in Nicaragua, a stability that can serve as a foundation for the economic reconstruction of Nicaragua. It is difficult to try to overcome the Nicaraguan economic crisis without a minimum of stability in the nation.

Although the government has the constitutional right to plan and guide the national economy according to Article 99 of the Constitution, the government has decided, however, not to impose that on the population. It has decided to call on the labor groups and producers to reach agreements. We must all agree on what must be done. We have made extraordinary progress in the national dialogue. We currently have a document, which since last night, since yesterday afternoon in fact, has received complete support from all the members of the board of directors of this national dialogue. It has the support of the UNAG [National Union of Farmers and Cattlemen], the FNT [National Workers Front], the CPT [Permanent Workers Congress], the COSEP [Higher Council of Private Enterprise], and the government. This morning there were some points that still needed to be worked on. A great job was done by each one of these groups with their rank and file. We had, what could be called, a climate of permanent session, and at this time the board of directors of the national dialogue is meeting once again trying to reach an agreement.

These organizations and the Nicaraguan people represented in them, as good children of Nicaragua, must protect the highest interests of the nation above our individual, party, and political interests. It is time for Nicaragua to reach a concerted agreement with all its children so it can achieve the stability needed by this nation to overcome the economic crisis. I am optimistic in this regard. I believe that in the next few months we will be fundamentally dedicated to the implementation, within a framework of stability, of the economic measures that are needed so that when our government reaches its first year, we will not only have overcome the war as we have done so far, but also the economic crisis that burdens us today. God bless us all. Thank you very much.

Government Receives First Evaluation Report

PA2710013890 Managua Domestic Service in Spanish 1330 GMT 24 Oct 90

[Station commentary]

[Text] The president of the Republic has received a special audience including representatives from the National Conservative Party, the Conservative National

Action Party, the National Action Party, the Nicaraguan Socialist Party, the Party for Integration of Central America, and the Social Democratic Party. Together with representatives from the autonomous CUS [Confederation for Trade Union Unity] and CTN [Central Organization of Nicaraguan Workers], they presented her with a declaration, which is signed by all of them. It evaluates her first six months in government and includes suggestions on how to improve her government.

The evaluation was the result of a study and analysis seminar held by these parties on Saturday 19 October at the INCAE [Central American Institute of Business Administration] facilities. During the seminar, they democratically and thoroughly discussed the role played by our new government during its first six months. The representatives of the six parties and the two labor unions analyzed the whole gamut of the government's activities in the political, social, and economic sectors. It did not spare praise or criticism whenever necessary.

The result of the seminar is the document that was delivered to the president for her study and consideration. It is well known that these six parties comprise a parliamentary bloc to help the executive branch carry out the UNO [National Opposition Party] government platform. They set aside all unnecessary confrontations that are detrimental to the nation's interests but reserve the right to issue constructive criticism that is necessary and convenient for the exercise of presidential authority. It is appropriate to mention that the National Conservative Party has taken the lead in this positive attitude. This party's highest authority, the national convention, has made it a party duty to promote this positive attitude. Acting within these political guidelines, both the party's national president and other members of the directorate board attended the seminar. Using their foresight and experience, they made important contributions that were included in the final report submitted to the president of the Republic.

The report reaffirms and reiterates the six political parties' willingness to help the president of the Republic consolidate, improve, and strengthen her government. They call this government the government of all Nicaraguans, and they place the people's hopes of achieving true democracy in our homeland on this government. The parties' report also includes eight recommendations on how the parties believe the government's actions could be improved. There is a particularly important request: The parties ask that the National Reconciliation Commission be rendered more dynamic by turning it into the National Peace Commission, which would exercise its authority to benefit all Nicaraguans.

The same can be said about the following recommendations: the need to reorganize the defense forces; the need to reorganize the Information and Press Directorate of the Presidency of the Republic, to improve it and make it more professional so that it can adequately expound on and defend the executive branch's actions; the need to sponsor a new labor code that will benefit the working class; and the urgent need to change the comptroller general of the Republic. The six political parties have done a magnificent job. They have offered the true support that should be given to our president, endorsing her decisions and suggesting measures for a good administration. Destructive criticism is only fruitless and useless, and it must be rejected. We congratulate the aforementioned political party leaders who have taken the time to study and analyze the national situation. We would like the number of these parties to increase until all those who comprise UNO become a single advisory and support team working for the executive branch, which is what our nation demands.

Ministry Denies Contras Seize Rio Blanco

PA2710141090 Managua LA PRENSA in Spanish 25 Oct 90 pp 1, 8

[Report by Roberto Orozco B.]

[Text] Frank Cesar, chief of the Information Directorate of the Government Ministry, said on 25 October that Rio Blanco, Matagalpa Department, has not been seized, as some media have reported, and added that the situation is calm.

"I just spoke to Commander Luis Chavez, who is in charge of maintaining order in the 6th Region. He told me that the situation is normal and confirmed that there has been no such seizure," as a local paper reports today, he said.

At 1030 hours on 24 October, a group of 400 persons, demobilized "contras" among them, took part in a march to protest the terrorist attack against government delegate Jaime Cuadra, for whom they expressed their support.

They also demanded that the local authorities disarm the civilian population, prompt resolution of the land distribution problem, and the discharge of some local policemen.

According to the official, the demonstration march went through the entire town and concluded in front of that sector's central police command, where 30 officers serve.

"That is where tensions reached their maximum. However, no regrettable incidents took place and the actions went no further," Cesar said.

Commander Chavez and a delegation led by delegate Jaime Cuadra went to Rio Blanco on the morning of 25 October to resolve the peasants' demands. They met with the demonstrators and will analyze their demands.

Cesar completely denied the report published on 25 October by EL NUEVO DIARIO which, according to Cesar, "takes advantage of the freedom of expression granted by this government to irresponsibly publish whatever they want."

The only precautionary measure taken on the afternoon of 24 October was to reinforce the police command with members of a special police unit designated to maintain order in new settlements.

Also, a "dry law" was decreed in the municipality to prevent any stimulus that could lead to violence, since the demonstrators were planning to hold a party in front of the Rio Blanco police building.

On the morning of 25 October, there was still a group of 40 persons sitting and lying in front of the building to continue the protest.

FSLN Said To Occupy El Jicaro Telcor Office

PA2710154190 Managua Domestic Service in Spanish 1308 GMT 27 Oct 90

[Text] The crisis in El Jicaro in Ocotal has taken a turn for the worse with the takeover of the FSLN [Sandinist National Liberation Front] and Telcor [Nicaraguan Telecommunications and Postal Service Institute] offices. Yesterday there was a clash in which one person was killed. Jose Leon Caceres, our correspondent in Ocotal, reports:

[Begin Caceres recording] At noon today the political crisis in Region 1 worsened, resulting in an armed clash in Jicaro. As we reported this morning, a group of 70 Sandinists occupied the Telcor installations in response to the takeover of the FSLN headquarters in Quilali by demobilized members of the Nicaraguan Resistance [RN, contras] a few days ago.

In response to the takeover of the Telcor office, a group of demobilized contras are trying to take over the National Police installations in Jicaro. At 1600 there was a minor shoot out between RN forces and the National Police, who are entrenched in their installations. A demobilized contra was killed, and it is presumed that there are several wounded.

Another report claims that the Jicaro National Police had apprehended a demobilized contra and had later shot him, eliciting the violent reaction of his former comrades-in-arms. According to this report, the man had raped a little girl. The other version is that the attempt to take over the National Police installations in Jicaro, in response to the takeover of the Telcor office in Ocotal, resulted in the death of the RN member.

Regarding the takeover of Telcor in Ocotal, Lisandro Castillo, government delegate for Region 1, promised that the Sandinists occupying Telcor that the FSLN building would be turned over in 11 days. Castillo also asked the Sandinists occupying Telcor not to aggravate the crisis and get more people killed. The Sandinists flatly rejected Castillo's request. They said that they will evacuate the installations as soon as the FSLN building in Quilali is evacuated.

Captain Lionel Ruiz, commander of the 3-12 Military Brigade, who, is participating in the talks, asked the FSLN Political Secretary to adopt a reasonable attitude and to speed the evacuation of the Telcor building. The Sandinists did not reply to this statement either and talks were broken off.

It was also reported that three state enterprises in Esteli were taken over several days ago by Sandinist groups. The Laureano Mena state enterprise in Jalapa was also taken over by another Sandinist group. This is the situation in this area, and neither party seems to be willing to yield its position. [end recording]

[Managua Radio Sandino in Spanish at 1200 GMT on 27 October 90 reports: "There has been no shoot-out between police and former contras in El Jicaro. It was a common criminal incident involving a former contra who was wounded while resisting arrest."]

Panama

U.S. Accused of Creating Campaign Against Endara

PA2610164290 Panama City EL PANAMA AMERICA in Spanish 26 Oct 90 p 1

[Report by Juan Pritsiolas]

[Text] National Bar Association (CNA) President Jose Alberto Alvarez accused the U.S. Government on 25 October of promoting a campaign against President Guillermo Endara, linking him to money laundering so that he would sign a Mutual Legal Assistance Treaty, the content of which would affect the fiscal and banking paradise that operates in Panama.

In the past week, the main U.S. newspapers have published reports in which the Banco Interoceanico—of which Endara is secretary—was linked to the laundering of money from members of the Medellin Cartel.

"We believe all of this is part of the campaign to soften up Panama, so that it signs the treaty and in this case, Endara is the most direct target," Alvarez, one of the main opponents of the agreement, said. According to Alvarez, the treaty would affect the system by which 200,000 corporations and 110 banks were established in the country. More than 30 billion balboas are deposited in these banks.

The CNA leader said that in the past, Washington accused those who opposed its interests of being "communists," but since such accusations are "out of fashion," it now uses "drug trafficking as its stock argument" to discredit its opponents, as it did with ousted General Manuel Antonio Noriega.

Jose Alvarez disclosed that the Treasury Department is pressuring the Endara government the most to sign a broad Mutual Legal Assistance Treaty, because the United States has a big fiscal deficit, and it, therefore, wants to affect financial paradises like Panama.

Meanwhile, the National Banking Association called for an urgent meeting of its members today to discuss the Mutual Legal Assistance Treaty with Foreign Minister Julio Linares.

The Legal Assistance Treaty seeks to make criminal justice more effective between the two sides, by supplying each other with assistance in judicial investigations and the prosecution of crimes.

Panama proposed rejecting the assistance when the request for such assistance refers to a fiscal matter, violates national security or other interests of the country, or the supplying of such assistance results in the violation of domestic law.

M-20 Reportedly Threatens To 'Rescue' Herrera

PA2610144290 Panama City CRITICA LIBRE in Spanish 26 Oct 90 pp 1, 33

[Article by Justino Gonzalez, Jr.]

[Text] An alleged guerrilla group announced yesterday over the radio, using police and the Technical Judicial Police [PTJ] frequencies, that in the next few hours it will launch a military action to rescue retired Colonel Eduardo Herrera Hassan, who was arrested and taken to Naos Island near the Amador Causeway yesterday.

"All traitors will die. We are from M-20," was heard several times on the National Police frequency.

On the night of 24 October, several anonymous telephone calls were also made threatening PTJ personnel on duty with possible "actions" to release Herrera Hassan, who was arrested on orders given by Attorney General Rogelio Cruz.

It was learned that the vehicle owned by Carlos Botello, chief of PTJ operations, who directed the tranfer of Herrera Hassan from the airport to the installations, was shot on the night of the 24th.

Meanwhile, lawyers and relatives of Col. Herrera have denounced the fact that Presidential Security Chief Carlos "Toti" Bares and U.S. personnel have visited, in their jail cells,those military officers who were involved in a coup attempt against the government, asking them to implicateCol. Eduardo Herrera Hassan in the case.

Rafael Rodriguez, the lawyer of the former police director, revealed that he is aware that several majors, including one whose name is Porfirio Caballero, have received visits by "Americans," who have offered them money and other benefits if they state that Herrera Hassan took part in the conspiracy plans against President Guillermo Endara Galimany.

Rodriguez gave to the media where Dr. Diogenes Arosemena, Caballero's lawyer, since he will serve as a witness to demonstrate that the detainees have been manipulated. [sentence as published]

Col. Eduardo Herrera Hassan was arrested yesterday on orders of the Attorney General's Office for allegedly being involved in crimes against the state, saying he thought there was no bail for these types of crimes. [sentence as published]

Xenia de Herrera, the wife of the accused, said that yesterday Carlos Bares, chief of security in the Palace of the Herons [Presidency], visited Captain Francisco Herrera "to pressure him psychologically" and to offer him money if he implicates his brother in the case.

"This is unfair. I cannot believe they want to force one brother to make statements against his brother," Col. Eduardo Herrera's wife has said.

Rafael Rodriguez added that "he fears for the physical safety of Col. Eduardo Herrera, because he is a public figure."

Rodriguez said they are committed to finding the truth and to discovering the names of the people involved in this coup attempt, which was dismantled by the authorities.

Asvat Denies Subversion in Police Force

PA2610185990 Panama City LA PRENSA in Spanish 26 Oct 90 p 1

[Report by Vilma E. Figueroa]

[Text] National Police Director Dr. Ebrahim Asvat has said that he believes the subversive movement to destabilize the government is "predominantly civilian;" he also ruled out the possibility that it comes "from within" the police.

Asvat based his position on the fact that the investigations were begun by the National Police. He said that he hopes the appropriate authorities will continue the investigations and summon the civilians—who are needed to complete the investigation—to testify.

Asked about [retired Colonel] Eduardo Herrera's statement that there are 29 groups that oppose the current government, Asvat said that the institution he heads has no knowledge of the 29 subversive groups in Panama City or anywhere in the country.

According to Asvat, a former police director should not be making assertions that might affect the citizens' peace. He said: One must be responsible in making such statements, and if Colonel Herrera knows about these groups, he should say so publicly or he should go to the proper authorities and make his statements.

The police director believes that statements "made without thinking" affect the security of society and that this is also a crime; therefore, Herrera should provide names in his statements.

Regarding Herrera's charge that political parties are bringing weapons into Panama, Asvat said that "it cannot be denied that commercial transactions involving weapons are made in the country. That is a fact and a reality." He said, however, that he has no knowledge of arms trafficking, although he has received reports from Chiriqui Province and they are being investigated, but there is nothing concrete on this.

Asvat denied that the same tactics of the past are being used, because no one "here" is exerting pressure. He added that there is a state of law in the country and that all the decisions are based on total compliance with the current laws.

Herrera Case Developments Reported

PA2710214190 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Oct 90 pp A-1, A-2

[Article by Claudio Herrera J.]

[Text] The filing of a habeas corpus in favor of Colonel Eduardo Herrera, retired; a letter written by Captain Carlos Ivan Moreno denying he had implicated civilians and military officers in illegal activities; and the names of some civilians involved in the plot against the government of President Guillermo Endara were three important bits of news made public in this capital yesterday.

The habeas corpus was filed yesterday afternoon by Xenia Ferreira de Herrera, the wife of the retired military officer, who said her husband was illegally and unconstitutionally detained on Naos Island on orders from Judicial Technical Police [PTJ] Director Leslie Loaiza and Attorney General Rogelio Cruz.

She said, "The arrest is in clear violation of constitutional and legal norms." In this regard, she said that on 24 October, at approximately 1400, without an order from the proper authorities, members of the PTJ arrested Herrera and took him "in their custody" to the PTJ headquarters in Ancon, on orders from Attorney General Cruz.

She added that the attorney general told the PTJ to take Herrera Hassan to its installations and to keep him "in their secure custody at the orders of the attorney general. It was not until 25 October, however, that an arrest warrant was issued, which proves that Article 21 of the Constitution was violated."

She said the Constitution was violated because when the military officer was arrested "the proper authorities had not yet issued an arrest warrant."

The retired colonel "was not caught in flagrant violation of the law, and the arrest warrant could not have been issued for this reason," she said.

A letter for the Panamanian people written in the Modelo Prison by Captain Carlos Ivan Moreno—one of the officers involved in the plot—was made public yesterday.

The letter was delivered to the news media by Moreno's lawyer Eberto Garcia Flores. In his handwritten note, the military officer said he "has received proposals from some officials offering me my immediate and unconditional release in exchange for a statement involving Colonel Eduardo Herrera and some civilians, such as the Chiriqui Province governor as well as some zone chiefs, in an alleged conspiracy against the government."

Garcia Flores said the following people have been called to render statements at the Attorney General's Office: Otilio Miranda (former Labor Party legislator), a civilian and well-known collaborator of General Manuel Antonio Noriega, as well as Dr. Cesar Young Adames, Mr. Berrios, and Mr. (Antonio) Ferrer.

Yesterday morning, Otilio Miranda, one of those involved in the case, appeared at the Attorney General's Office. The media were unable to get statements from the controversial former legislator, who, after surreptitiously leaving national territory, traveled to the United States and was then finally extradited to the Republic of Panama.

Channel 13 [Telemetro Television] broadcast part of the question and answer sessions with Miranda, in which he involved former Col. Herrera in a subversive movement. He said the retired military officer had asked him for $5,000 and three vehicles when Miranda was under arrest.

Miranda said that Herrera, in his destabilization plans, told him once: "We have to do something." In addition, Herrera suggested that to achieve this objective labor organizations had to be included.

Miranda also blamed Herrera for the explosion of a device at the home of Comptroller Ruben Dario Carles, an example of the plan to create unrest in the new government and among citizens.

Miranda said Herrera helped him to flee the country, crossing the border to Costa Rica and later traveling to the United States.

Meanwhile, Attorney General Cruz said yesterday—when the drugs confiscated in the last few weeks were being burned—that "there is sufficient evidence" to order the arrest of Herrera.

Asked about when he would give the names of the civilians involved in the plot, Cruz said, "We will only mention their names when the situation merits it."

Yesterday afternoon, at around 1700, Captain Francisco Herrera, the brother of the former colonel, and another one of the persons involved in the seditious plan, appeared before Attorney General Cruz.

Herrera went inside the Attorney General's Office under the strict custody of two security guards and climbed the stairs to Cruz's office to be questioned.

Arias Says Arrest 'Justified'

PA2810043190 Panama City CRITICA LIBRE in Spanish 27 Oct 90 p 2

[Report by Marcelino Rodriguez B.]

[Text] Government and Justice Minister Ricardo Arias Calderon said at a Christian Democratic Party [PDC] fund-raising dinner at the Inter-China restaurant on 25

October that "former Colonel Eduardo Herrera's arrest is justified. He was remanded by the courts and not by the executive branch."

Minister Arias Calderon described as absurd the scenes that took place when the former officer returned to the country. The former officer had the opportunity to make a future for himself as a professional policeman, but did not have the wisdom or the courage to make the change, as the Panamanian people expected.

Regarding the hunger march by a handful of Colon residents, Arias Calderon described it as "left-wing rhetoric," instigated by civilians who backed the dictatorship and who are truly responsible for the crisis the country is in.

Those destabilization attempts failed not because the Americans are here, but because the people reject a return to the past, which inflicted so much damage on the Panamanian people.

Dr. Arias Calderon added that there is no return to the past because we are committed to democracy, which unites all Panamanians who today enjoy a new awakening of peace, justice, and freedom.

Suspect Says Officials Use Pressure

PA2810134690 Panama City EL SIGLO in Spanish 27 Oct 90 p 8

[Report by Aneldo Arosemena]

[Text] Late yesterday afternoon, this newspaper was visited by a lawyer whose name we will not disclose, who brought us a photocopy of a hand-written letter by former Captain Ivan Romero [name as published], one of the people involved in the alleged coup attempt against President Endara. Moreno [as published] is accused of placing explosives at several places in Chiriqui Province.

In the hand-written letter, which was smuggled out of the Modelo Jail, the former captain confirms that he has been pressured and that he has received monetary offers to involve Colonel Eduardo Herrera in the alleged coup attempt. This letter serves to confirm what Moreno has said, that he is being involved in activities against the country's security and reaffirms what Attorney Diogenes Arosemena has said, that a plot against Herrera is being prepared.

We publish Moreno's letter without further comment:

Modelo Jail, 26 October 1990

Letter to the Panamanian people:

With due respect to the citizenry, I wish to state the following:

1. I have never declared, much less blamed, civilians or military personnel for illegal actions such as the media have falsely been told by certain officials.

2. I have received offers from certain officials for my immediate freedom in exchange for my involving Colonel Eduardo Herrera and civilians, as well as the Chiriqui Province governor and some area leaders, in an alleged plot against the government.

3. My lawyer and I, as the undersigned, are being psychologically and financially pressured to cooperate in the blackmail and fabrication, which, with twisted political motives, are intended to implicate distinguished military and civilian personnel.

From this unfair confinement I declare that I shall never compromise my honor and dignity as an honest Panamanian and soldier against officers and civilians whose honesty is well known.

I know that my family, my children, my friends, and my comrades-in-arms will understand that I shall emerge from this tough test that unfair men have imposed on me with my head high and my morale sufficient to continue to serve the country as I have modestly done throughout my personal and professional life.

[Signed] Captain Carlos Ivan Moreno

Personal identity number 4-101-1523

Cruz: Herrera Ordered 'Destabilization'

PA2810165190 Panama City EL PANAMA AMERICA in Spanish 28 Oct 90 p A-1

[Text] Attorney General Rogelio Cruz has stated that his office has "proven" that even before his retirement as police chief, Colonel Eduardo Herrera—together with some members of the Public Force and some private citizens—were engaging in a series of actions to create "instability, unrest, and disruption of public order by placing explosive devices."

Cruz' statements are included in a document he sent to the Supreme Court in which he responds to a writ of habeas corpus presented on behalf of Herrera, claiming that the arrest of the retired officer violates the Constitution.

The attorney general also states that Herrera requested economic contributions to organize protest demonstrations against the government expecting that these actions "would get out of hand and thus prevent the Public Force from being at the service of the current constitutional system."

Rogelio Cruz said that Herrera's connection has become evident as a result of the testimony of Captain Ivan Moreno to Leslie Loaiza, chief of the PTJ [Judicial Technical Police]; Ebrahim Asvat, director of the National Police; Prosecutor Emilio de Leon; and the attorney general. In addition, Sergeant Anibal Martinez has upheld "at all times" that Colonel Herrera was aware of the "deceitful actions" that were being carried out.

The document also quoted statements by Otilio Miranda who said that Herrera had admitted to him on several

occasions that he was determined to change the government and that to this effect he was going to carry out destabilization activity. In addition, some firearms used by the colonel and his subordinates when he was police chief were "lost."

Cruz emphasized that his office knew of the destabilizing actions that Herrera was conducting prior to his retirement. For some unknown reason, however, the Executive Branch decided to retire him without any charges being raised against him.

The attorney general concludes that Herrera and his associates "engaged in illegal association to commit crimes against the security of the state."

Meanwhile, other sources reported that within the next few hours, several of Colonel Herrera's bodyguards—who carry weapons of war that are prohibited and with which they hindered the work of the PTJ on 24 October when they were trying to take in the former police chief to begin the investigations—will be arrested, including former Captain Jorge Bernal. Bernal is involved in the deaths of Yito Barrantes, a worker, and of Manuel Vasquez, the owner of the Blue Grotto.

Miranda, Young Adames Statements

PA2810182490 Panama City EL PANAMA AMERICA in Spanish 28 Oct 90 p 1

[Article by Juan Pritsiolas]

[Text] Former legislator Otilio Miranda has revealed that Colonel Eduardo Herrera confided to him that Former President Ricardo de la Espriella and PRD member [and Former Finance Minister] Orville Goodin were "collaborating" in a plan against the national government and asked him to contact former presidential candidate Carlos Duque and the director of a well-known Panamanian newspaper for them to provide "financial" support for the conspiracy.

This statement is in a sworn deposition that Miranda made before Attorney General Rogelio Cruz. This deposition begins on page 285 of the lengthy dossier that the Public Prosecutor is preparing regarding this plot against the state.

Miranda also said that Herrera told him that he had contacted former Major Porfirio Caballero, an explosives expert, to carry out terrorist attacks to create the atmosphere for destabilization. Miranda and Herrera have been friends since the officer was assigned to the Chiriqui military zone.

The dossier in question also contains a deposition by presidential adviser Carlos Young Adames, who confirmed that he had held meetings with labor leaders and members of the Public Force to discuss forming a government junta to replace the current president.

Young Adames, a leader of the Arnulfist Party, said that the meeting was held on 16 October, a few hours after the well-attended labor union march had concluded. The meeting began at the Hojalateria Berrio, but continued at the MacDonald's restaurant adjacent to the San Fernando Clinic.

Young Adames said that one of the participants even proposed him as a member of the government junta. Other possible candidates mentioned were J.J. Vallarino, Fernando Manfredo, and Carlos Ivan Zuniga, but Young Adames clarified that these gentlemen were not aware of the conversation.

Young Adames told the public prosecutor that Captain Francisco Herrera (brother of Col. Eduardo Herrera), Major Luis Carlos Delgado, Arnulfist Victor Berrio, and transportation sector leaders Antonio Ferrer and Manuel Mora participated in the talks.

A deposition by Victor Berrio is also included in the dossier on the alleged plot. Berrio's deposition begins on page 390. Berrio reports that one of the participants in the 16 October meeting said that what Panama has to do is accept the proposal for a constituent assembly or hold elections over the short term.

Berrio said that there was talk "about individuals who could form part of a presidential triumvirate, such as J.J. Vallarino, Former Foreign Minister Carlos Lopez Guevara, and someone named Galindo—but not Finance Minister [Mario] Galindo."

For his part, Juan Materno Vasquez, defense attorney for Captain Francisco Herrera, said that he is surprised that—unlike the military—civilians have not been placed under arrest, even though documents in the dossier charge that so many of them had knowledge of, were going to participate in, or were going to benefit from, the presumed coup attempt.

President Guillermo Endara also referred to the purported conspiracy and described Capt. Herrera as a "traitor." Endara said that Herrera asked Presidency security chief Carlos Bares for help, and now claims that Bares tried to bribe him. Endara likewise said that the former chief of police was behaving like a "child" by believing that the Panamanian people were going to support his plan.

Endara Resigns From Bank's Board of Directors

PA2610212390 Panama City EL PANAMA AMERICA in Spanish 26 Oct 90 p 1A

[Text of letter sent by President Guillermo Endara to Guillermo Ronderos Duran, president of the Banco Interoceanico de Panama, S.A., dated 31 May 1990]

[Text] Dear Guillermo:

With this letter I confirm our recent telephone conversation. Thus, I herewith present my final, immediate, and irrevocable resignation as the director and secretary of the Banco Interoceanico de Panama, S.A. (Interbanco)

I appreciate the trust you have put in me since the bank's founder, Galileo Solis (may he rest in peace), died. Your trust withstood the most difficult period of my professional life, when I was being persecuted by the military dictatorship. I truly appreciate the fact that you kept me on the board of directors despite the fact that I was a burden to the bank because of my opposition to the military regime.

Very truly yours,

Guillermo Endara G.

Police Reportedly Unable To Conduct Search

PA2610201990 Panama City LA PRENSA in Spanish 25 Oct 90 p 1A

[Report by Elkilia Santos]

[Text] Chiriqui District Attorney Emilio De Leon has sent documents to National Police Director Ebrahim Asvat concerning alleged subversive camps in the province of Chiriqui; however, a source close to the Public Force in that province has said that so far the area in which the alleged camps have been set up to carry out illegal activities has not been searched because of a lack of funds.

De Leon's note to Asvat, copies of which were sent to the president and the attorney general, said that he was sending the National Police director photocopies of documents held at the Fourth District Court in that province. The documents concern the sale of weapons and explosives in the province of Chiriqui.

The note added that the documents contain information gathered during an investigation of crimes against collective security that began on 25 September 1990. This information could be useful for the inspection that the National Police must conduct to find alleged camps set up for subversive activities; however, the police have not visited the area to confirm the existence of the alleged camps because of a lack of funds. They cannot be sent there without the necessary equipment.

The source did not rule out the possibility that members of the Judicial Technical Police may have traveled to the site; however, this could not be confirmed.

Workers Meet With President, Present Demands

PA2710185390 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Oct 90 pp A1, A2

[Report by James Aparicio]

[Text] A delegation of the Coordinating Board of State Workers has presented the following demands to President Guillermo Endara—the resignation of Panama Governor Plutarco Arrocha, payment of 13th month salary bonuses, repeal of the amendments to the Labor Code, and resolution of the housing problems of the Chorrillo war refugees.

Rolando Miller, spokesman for the board, said that after a three-hour meeting, President Endara was given a 13-point petition that also refers to the Labor Code amendments, autonomy of state enterprises, resolution of the Loma Cova squatters' problem, and the nonpersecution of labor leaders.

The Coordinating Board of State Workers consists of Fenasep [National Federation of Associations of Public Employees], sectors of the National Port Authority, IRHE [Institute of Hydraulic Resources and Electrification], Intel [National Institute of Telecommunications], and Idaan [National Water and Sanitation Institute].

Miller said that the two parties appointed a "high-level" commission to assess the demands. He warned, however, that they will not accept "delaying tactics."

Representatives of the transport sector and of Conato [National Council of Organized Workers] and Suntracs [Single National Union of Construction and Related Workers] also participated in the meeting.

The labor leaders expressed their support for the march begun yesterday by Colon residents to the Legislative Assembly, where they hope to gather more than 100,000 people.

Miller said that the rally by several worker sectors will ask legislators to pass laws for the good of the people.

Endara promised the workers' delegation that the Administrative Career Law would be passed. He said that Guillermo Ford, minister of planning and economic policy, and Labor Minister Jorge Ruben Rosas would represent the government at the talks.

Endara was asked about the 13,000 employees who have been fired. He said that unfortunately the government inherited "an excessively large labor force from the dictatorship."

He promised to consult with the workers on any amendment to the Social Security Charter and said that "there are no funds" to pay the 13th month bonuses they are demanding.

Miller said that the workers asked Endara to "carefully study what is happening." He warned: "We hope we will not be told that there are no funds, like Comptroller General Ruben Dario Carles has been telling us."

Poll Reflects Opinions on Economy, Parties

PA2710202390 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Oct 90 pp 1, A-5

[Report by Juan Carlos Duque M.]

[Text] How do Panamanians view their country?

What political figures stand out at this time?

Does the current economic situation really affect the Panamanian family?

The results of these and other questions can be clearly seen in an opinion poll recently undertaken in Panama by the Multi-Specialty Development Counselors company (CID), affiliated with the Gallup International Research Institute.

CID-Gallup carried out a public opinion poll in Panama from 28 September to 7 October. It polled a total of 1,210 Panamanians past age 18.

The topics of the poll included the family economy, the national economy, political opinions, political parties, and various national issues such as the Chorrillo neighborhood, AID, the government's economic policies, the Labor Code, crime in neighborhoods, and opinions on "Operation: Just Cause."

LA ESTRELLA DE PANAMA has acquired the rights to publish the study.

CID-Gallup polled the people on their economic lives, finding that despite the crisis, "the Panamanian people do not feel pessimistic." The poll added that those interviewed are relatively optimistic when analyzing the economic situation of their families and that they believe that the situation of their families will improve within the next 12 months.

Most Panamanians believe that their families' economic situation will improve considerably or somewhat over the next 12 months, but the poll detected misgivings about a better family life in the future.

Concerning the country's economic situation, most Panamanians felt positive that it has improved or that it is the same as a year ago. The poll showed there to be a certain skepticism regarding short-term economic recovery. This was more apparent among PRD [Democratic Revolutionary Party] followers and among university graduates.

"Both groups are cautious about predicting a confrontation because of the current crisis," CID-Gallup said.

Concerning a better life, those polled showed misgivings about their future, especially among the less educated and women over 40.

The study included the help of people from various fields. Panamanian personnel were used to collect data, except in Changinola and Bocas del Toro, where Costa Ricans were used. They entered Panama using the Limon-Sixaola Road.

Table No. 3

Party preference percentage according to educational level:

POLITICAL PARTY	TOTAL	PRIMARY	SECONDARY	HIGHER
TOTAL	100	100	100	100
PDC [Christian Democratic Party]	17	19	17	14
Arnulfista Party	15	23	12	12
Molirena [Nationalist Liberal Republican Movement]	10	9	11	9
PRD	6	4	6	6
Authentic Liberal Party	4	4	4	2
Papo [Peoples Action Party]	1	1	1	-
Other	3	5	8	1
None/does not know	44	35	41	56

Among the most noticeable findings in the demographic study is that most of the population spoke positively of President Guillermo Endara's work, that unemployment was thought to increase after "Operation: Just Cause," and that unemployment is expected to be higher "next year."

"What is your opinion of the way President Guillermo Endara does his job? Would you say he does it well or poorly, asked CID-Gallup.

Favorable replies were 14 percent (very well) and 26 percent (well); however, 44 percent of those polled said that Endara's work as president was "neither good nor bad."

Eight percent of those polled replied that Endara's work was poor, five percent very poor, and three percent did not know or did not reply.

Most criticism toward the president was found among Panama City metropolitan area residents. The lower the education level of the person polled the greater the acceptance of the president's work. "Just the opposite occurred with people with a higher level of education."

Political Parties

Oddly, the poll showed that of citizens who are better educated, in addition to questioning more President Endara's work, most said that they were not affiliated to

any political party. The poll showed that 17 percent of Panamanians feel inclined toward the PDC, 15 percent toward the Arnulfista Party, and 10 percent toward Molirena.

This segment revealed the most dramatic figures regarding the level of party participation of Panamanians. Forty-four percent of those polled claimed not to have any party preference or to know about any political party.

The PRD opposition party had a six percent party preference, followed by the Authentic Liberal Party with four percent, and the PAPO with one percent.

"The Arnulfists are especially powerful among the less educated. The other parties show a similar profile in relation to their levels of education," stressed CID-Gallup.

Graph No. 6

Percentage of Unemployment Following "Operation: Just Cause"	
Increased:	72 %
Remained the same:	17 %
Decreased:	11 %

Problems

The poll had plenty of questions on the economy. CID-Gallup asked those polled what development problems Panama has to face over the next five years, and 56 percent of those polled said unemployment, followed by housing with 36 percent, and health and education with 23 and 12 percent, respectively.

CID is affiliated to the Gallup International Research Institute and has established a multi-client system known as "omnibus," operating in all Central American countries. The company enjoys great experience and prestige in the field of public opinion polls in Central America and Panama. For many years LA ESTRELLA DE PANAMA exclusively reprinted its results. Their style is strictly scientific, and they hold an unequaled record in predicting presidential election results.

The pollsters verified the information thoroughly, and more than 35 percent of those polled were visited once again by supervisors. Coverage areas were selected at random.

The polling institute warned that public opinion polls measure specific situations of a people at a given moment. "The fact that Panamanians feel moderately positive at the end of 1990 does not mean that positive feeling can be projected six months ahead," CID- Gallup underscored.

LA ESTRELLA DE PANAMA will publish poll results for the following topics:

- Panamanian political figures
- The future president of Panama
- El Chorrillo neighborhood
- Neighborhood crime

Graph No. 3

Family Situation Over the Next 12 Months	Percentages
Will greatly/somewhat improve:	59 %
Will deteriorate greatly or somewhat:	14 %
Will remain the same:	20 %
Graph No. 4	
The Country's Economic Situation	**Percentages**
Deteriorated greatly or somewhat:	36 %
Remained the same:	20 %
Improved greatly or somewhat:	42 %
Did not know, did not reply:	2 %

Indicates Many Want Bases To Stay

PA2710234790 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Oct 90 pp A-1, B-4

[Article by Emilio Sinclair]

[Excerpt] According to treaty agreements, the U.S. military bases located in the Republic of Panama must leave before the end of the century. Panamanians, however, think differently.

A public opinion poll dated October 1990, conducted by the Multi-Specialty Development Counselors Company affiliated with the Gallup International Research Institute (CID-Gallup), reveals that Panamanians want the U.S. bases to remain in the country.

The Torrijos-Carter Treaties, signed on 7 September 1977, stipulate that the United States must turn the canal and its installations over to Panama on 31 December [1999], and "at noon" on that same day the last U.S. soldier must leave national territory.

The poll revealed that the treaty arrangements apparently do not correspond with the wishes of the Panamanian people.

The document states: "Just this past January, most Panamanians wanted the military bases to remain after 1999."

"There is a small decline in the percentage of people who think that way," according to the report.

Another detail revealed by the report shows that the opinion is not generalized because "males and college-educated Panamanians are less likely to agree to accept the permanence of U.S. bases in the country."

This trend is presented by CID-Gallup with graphs showing that in January 1990, shortly after the invasion,

76 percent of the Panamanian people believed the U.S. military bases should remain in Panama after 1999.

The last survey, dated October 1990, 11 months after the invasion, shows that 68 percent of the population wants the U.S. military bases to remain after December 1999.

As for the Panamanians' feelings toward the American people, the opinions were favorable; however, "the greater the educational level, the less the support for the American people."

The poll observes: "Most Panamanians have favorable opinions of the American people," but "even then, there is variation depending on the educational level of the person being polled."

According to the survey, favorable opinions of Americans varied depending on the educational level of those polled. The poll revealed that Americans have the sympathy of 82 percent of the people with primary school education, 72 percent of the people with high school education, and 62 percent of those with a college education. [passage omitted]

Reflects Leaders' Popularity

PA2810225190 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Oct 90 pp A-1, B-1

[Text] If presidential elections were held today, the political leader that would probably be elected would be Guillermo Ford, the current second vice president of the Republic.

Ford received the most favorable comments among more than 1,000 participants in an opinion poll conducted by CID-Gallup throughout the country during the last days of September. He stood out in a list that included more than six prominent political personalities in the nation.

One of the questions was: "If presidential elections were to be held today, who would you vote for?" Eighteen percent said Ford, 13 percent Guillermo Endara, eight percent Ricardo Arias Calderon, and two percent Carlos Ivan Zuniga [president of the People's Action Party].

However, CID-Gallup noted that approximately 50 percent of the Panamanians are not interested in an electoral process in the near future. The survey, in which CID-Gallup did not present any list of possible candidates, showed that Second Vice President Ford was the most popular, followed by President Endara.

Ford's popularity is higher among men and youths in the metropolitan area, while Endara has more followers in the rest or the country. "As the educational level dropped," President Endara received more support.

The survey showed that First Vice President Ricardo Arias Calderon is supported by the members of his party—The Christian Democratic Party—and residents outside the Panamanian capital.

Ford, a businessman, was in the opposition's presidential slate against Noriega in the 1989 elections. He was characterized by his great enthusiasm and his emotive, clear, and improvised speeches. Some describe him as a controversial politician "who is not afraid to express his views."

His style has caused some problems with his image, but at the same time he has won the applause of the public, as evidenced by the CID-Gallup poll.

Ford also stood out among the Panamanian political personalities, followed by Ricardo Arias Calderon, first vice president and government and justice minister.

CID-Gallup presented a list of names of political leaders, of which Guillermo Ford received 75 percent of favorable opinions, followed by Ricardo Arias Calderon, with 47 percent, and Guillermo Cochez [with 41 percent].

Cochez, who is currently Panama City's mayor and belongs to the same party as Arias Calderon, received only six points less than the latter. Carlos Ivan Zuniga, a veteran politician and founder of the People's Action Party (PAPO), received 29 percent of favorable opinions.

The question read by the interviewers was: "Now I will read names of Panamanian politicians. For each one say whether you have a favorable or unfavorable opinion; if you do not know them or do not wish to express your opinion, please say so."

Table No. 4

Percentage of favorable opinion received by political personalities, according to eduational level of those interviewed

	Educational Level			
Name	Total	Primary	Secondary	University
Guilllermo Ford	75	77	75	68
Ricardo Arias	47	52	48	25
Guillermo Cochez	41	40	43	29
Carlos Ivan Zuniga	29	26	28	44
Rogelio Cruz [attorney general]	24	26	24	14
Mario Rognoni [Democratic Revolutionay Party legislator]	11	9	12	9

A significant aspect of this segment of the interview was that people with higher education, including Ford and Arias, while those with higher education accepted Carlos Ivan Zuniga. [sentence as published]

Fifty percent of those interviewed were women and 50 percent were men. Fifty percent resided in Panama City, and the other 50 percent lived in other parts of the country.

Twenty-two percent said they were under 24 years of age, 40 percent between 25 and 39, and 38 percent over 40.

According to CID-Gallup, 27 percent of those interviewed had received primary education, 64 percent secondary education, and nine percent had higher education.

Some of the consequences of the 20 December invasion, such as the situation of El Chorrillo residents who suffered losses in the military invasion, were included in the poll. Approximately 13 percent said that the Agency for International Development [AID] has given assistance to El Chorrillo victims. One out of every five said they were unaware of the situation. The lack of information was higher among citizens with the lowest educational background; however, 31 percent of those who answered said that some assistance has been given while 27 percent said "very little" assistance has been received.

Regarding AID and its economic policies toward Panama, the majority of those interviewed said that they agree with the modifications made to the Panamanian Government's economic policies. The majority said that they were totally or partially in favor; however, those with higher education disagreed. Regarding the role played by AID versus the U.S. Armed Forces civic action, 53 percent of those interviewed said that the assistance given by the U.S. Armed Forces in Panama has been more beneficial for the country than AID development projects in Panama this year. Approximately 36 percent favored AID projects, and 11 percent said "they had no knowlege."

"That majority opinion is not shared by residents in Panama City and those who have higher education, who believe that the country has received more benefits through the AID than through the Armed Forces civic action.

Another subject covered in the survey was the wave of crime in the past few months. CID-Gallup asked those interviewed about the crime situation in the area where they lived. They were asked whether today there is more, less, or the same amount of crimes, robberies, and violence than before "Just Cause."

Results: There is more crime.

This opinion was more frequent among Panama City residents than those living in the rest of the country, including those who live outside Panama City (41 percent) who said that the crime rate remains the same. [sentence as published]

Among those interviewed, 56 percent said that crime in the streets has increased, while 32 percent said there was more crime before. Only 11 percent said that there is less crime.

According to the survey, the Panamanian people continue to support and justify "Just Cause" and its related actions. The vast majority still believe that the U.S. military action was "a liberation for Panama." The survey shows, however, that the percentage of support has dropped since January of this year. One third of those interviewed said that the action was "an invasion." In October, 70 percent of those interviewed said that they interpreted the action as a liberation, while in January of this year 86 percent expressed that opinion. In January of this year, 14 percent of those interviewed described the action as an invasion, while in late September and early October the percentage of those who said so increased to 28 percent.

Table No. 9

How do you describe the U.S. military action? January 1990-October 1990 in Percentage

	1990	
Opinion	**January**	**October**
Total	100	100
Liberation	86	70
Invasion	14	28
No answer	-	2

Labor Union Leader Suggests Workers Form Party

PA2710185790 Panama City LA PRENSA in Spanish 22 Oct 90 p 1

["As of Today" column]

[Text] The CTRP [Confederation of Workers of the Republic of Panama] secretary general said at a recent meeting that workers should form their own party "for representation in the Legislative Assembly," supposedly beginning with the secretary general. This is the ideal formula to finish off the CTRP, because when the time comes to go to the polls, each member will vote for the party and the candidate of his liking and not for those he is ordered to vote for by the union leader, who thus loses authority. This does not mean that union leaders and members should not deal in politics; they can do so like any other citizen. What they do not have a right to do is use their unions as springboards to hurl themselves into the electoral circle. It seems, however, that the 16 October demonstration went to the secretary general's head, because after proposing the creation of a labor party "that forces the government to listen to the workers," he said in a threatening manner "because if it [the government] does not listen, we shall overthrow it and we will substitute it with more capable [rulers]." He made it sound as if he already had names in mind. One cannot help but wonder whether the march organizers were concerned about the have-nots or ambition for personal power. If the labor movement becomes subordinated to a political party, when the party's interests come into conflict, the leaders will sacrifice the workers' interests for the party's interests. Experience over the past 21 years should have taught something to the Panamanian working class.

Details of Draft 1991 Budget Being Discussed

PA2710185590 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Oct 90 pp 1, A-2

[Report by James Aparicio]

[Text] It has been officially reported that approximately 286,187,500 balboas of the 2.8 billion balboas in the draft 1991 government budget will be used for central government expenditures.

A document to which this newspaper has obtained access indicates that the Finance Ministry has allocated 107.9 million balboas; the Public Works Ministry (MOP) 52.322 million balboas; the Ministry of the Presidency 31,318,500 balboas; the Planning Ministry 21,137,900 balboas; and the Health Ministry 14.602 million balboas.

The budget allocates 12,990,500 balboas to the Government and Justice Ministry; 10,194,600 balboas to the Housing Ministry; 10.107 million to the Agricultural Development Ministry; 3.215 million balboas to the Foreign Ministry; 1.778 million balboas to the Commerce Ministry; 1.103 million balboas to the Judicial Branch; and 750,000 balboas to the Labor Ministry.

The budget includes revenue estimated at 25.87 million balboas from international organizations out of a total of 35,638,700 balboas considered "foreign credit."

The budget includes a 5.569 million balboas in export credit from Spain, 4.199 million to be contracted, and approximately 221,805,200 balboas from other revenue.

The repair of schools, health centers, prisons, roads, and communications and electricity systems is included in this draft budget being discussed behind closed doors in the Legislative Assembly.

The Government and Justice Ministry, which is responsible for the Public Force, will undertake 500,000 balboas' worth of improvements in the Model Jail, 360,000 balboas' worth in the Coiba prison, and 300,000 balboas' worth in the Renacer prison. It will also purchase a building for the Public Registry and repair and expand dozens of police stations and substations throughout the country.

Bomb Possibly Meant for Endara Adviser

PA2810155690 Panama City EL PANAMA AMERICA in Spanish 26 Oct 90 p 8-A

[Text] On Tuesday evening an explosive device was thrown at the home of Austrian Consul General Roberto Zauner, who lives on Santa Elena Street in the Altos del Golf neighborhood. The loud explosion, which damaged the windows and walls of the residence, was heard in many of the homes in this exclusive Panama City neighborhood. Inspector Manuel Melo, of the PTJ [Judicial Technical Police] detachment in San Francisco corregimiento, said that the bomb left a hole 40 cm wide and 50 cm deep. Melo added that if the device had hit the walls of the residence the damage would have been much more extensive. The inspector did not dismiss the possibility that the perpetrators might have made a mistake and that the bomb might have been meant for the home of presidential adviser Luis Martinz, who also lives in the same neighborhood.

Argentina

Cavallo Denies UK Requested Zone Extension

PY2910013090 Buenos Aires DYN in Spanish 1956 GMT 28 Oct 90

[Text] Buenos Aires, 28 Oct (DYN)—Foreign Minister Domingo Cavallo today denied that the British Government had requested an extension of the exclusive economic zone around the Malvinas Islands. He explained that a request was made by the islanders "for an extension of the fishing zone." Saturnino Aranda, head of the Chamber of Deputies Foreign Relations Committee, speculated that the islanders' request "was a test" by the British.

Speaking to Radio Continental from Berlin in reaction to a report on this issue published in a local daily today, Cavallo said: "The British Government has made no decision on this issue." Cavallo said that he is convinced that the British Government "has resisted pressure from the islanders."

Aranda told DYN: "If this is a test, British diplomats should be warned that Argentina's leaders and people will defend their established rights." Although Aranda denied the existence of a British proposal, he said that a request to that effect "would be offensive" and would mean "a return to a confrontation of forces."

Deputy Aranda, who supports President Menem, explained that "a confrontation of forces means that if the UK requests an extension of the exclusion zone, it will mean that the British are going outside the negotiations by adopting an attitude of force."

Cavallo explained that the article published in today's daily "about a British request is only the position of the Malvinas Islands inhabitants, who requested that the British Government extend the fishing zone." Cavallo believes that a "sensible dialogue" will prevail in the work group created by the two countries' negotiators at the Madrid meeting last February.

Under the assumption that a request was made by the British, Aranda said that "if one of the signatories of the Madrid agreement makes a mistake of this nature, then the entire negotiations would be in jeopardy."

Aranda also has doubts as to whether British consultations with the islanders on issues related to the islands "would solve the problems" among the two countries.

Cavallo said: "The prediction made by the newspaper article, which only represents the position of the islanders and not of the British Government, will not occur."

Regarding the Madrid agreement, Cavallo indicated that the issues under discussion include fishing in the Atlantic and Argentine-British cooperation "to prevent the overfishing of squid."

Cavallo added that "if Great Britain gives in to the islanders' pressure, it would create very serious problems for the interests the islanders are trying to protect; Argentina obviously would not remain impassive" and would not allow foreign fishing boats in Argentine-controlled waters.

Deputy Juan Pablo Cafiero said that, if the newspaper article is confirmed, "the Foreign Ministry would be affected because it would represent the end of the Madrid agreements and demonstrate the uselessness of participating in the strategy for international security, which is the argument the government is using to send ships to the Persian Gulf."

Cafiero recalled that when the Madrid agreement that reestablished relations with Great Britain was signed, "the negotiations for fishing permits in the zone were not well clarified" and that the lack of precision on this issue "did not satisfy" the deputies who heard Cavallo's explanations.

"That was one of the criticisms we mentioned to Cavallo, who at the time said he was sure nothing would happen," said Cafiero. Questioning the foreign policy implemented by the Foreign Ministry, Cafiero noted that it "has made no official claim over the Malvinas in the last 12 months."

National Deputy Rafael Flores of Santa Cruz, one of the authors of the fishing law, evaluated the alleged British position, saying that this is "predictable" in terms of British history. He added: "The UK watches over its fishing resources but plunders our sea by taking up an extensive zone. When there is too much fishing in its zone, it sends foreign ships into Argentine waters."

Flores said that this attitude "clearly shows the mechanisms used by the developed countries to protect their interests to the detriment of the developing countries, and it also shows the uselessness of the agreements with Great Britain."

"It was naive to believe that it was possible for Great Britain to put the sovereignty issue under an umbrella," said Flores, who added that Great Britain insists on "gradually extending its exclusive economic zone around the Malvinas."

The legislators believe that the lack of an agreement on a new fishing law would put Argentina at a disadvantage.

According to the Buenos Aires morning daily, the British Government has reportedly already notified the Argentine Government of its decision three times, and this issue was included in the bilateral agenda.

Menem Returns Home, Holds News Conference

PY2810013890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2127 GMT 27 Oct 90

[Text] Buenos Aires, 27 Oct (NA)—President Carlos Menem today described as "excellent" the agreements

concluded with the prospective buyers of the National Telecommunications Enterprise [Entel] because the government "defended the interests of the nation." He confirmed that Entel and Argentine Airlines will be turned over to the buyers on the scheduled dates.

Menem said that Colonel Mohamed Ali Seineldin, retired, "acted with a lack of seriousness and responsibility" when he bypassed his chain of command and sent a personal letter to the president of the Republic to warn him about problems within the Army.

Menem said: "This character will get what he deserves."

The president also said that no more military personnel will be sent to the Persian Gulf unless requested by the United Nations.

Commenting on the overall situation prevailing in the provinces, Menem said: "This crisis was not created overnight," and noted: "It should not be a cause for alarm because the government is trying to resolve it."

Menem made these remarks during a news conference he gave at Ezeiza Airport after returning from a 10-day tour of the Vatican, Poland, and the Soviet Union, and a quick visit to the Argentine ships that are in Catania on their way to the Persian Gulf.

Menem stated that Entel trustee Maria Julia Alsogaray has "conscientiously fulfilled the task entrusted to her" and minimized the fact that she was absent from the final talks on Entel's privatization. He added: "She continues to hold her office and will be signing the Entel transfer documents."

Menem said he endorses Vice President Eduardo Duhalde's veto of a new law that exempts the children of missing people from joining the military forces. To uphold the law would be "to establish a privileged status in the Republic of Argentina."

He also flatly denied reports that a nuclear waste dump is going to be built on Argentine territory because, he said, the government "wants to make Argentina the most ecologically oriented country in the world."

Commenting on the action planned for 15 November by the General Confederation of Labor-Azopardo, Menem said: "We are going to strictly enforce the laws. They may call as many strikes as they want to, but they will not make us change our course."

Menem arrived at Ezeiza shortly before 1800 today on board the TC-91 presidential plane, which took off this morning from the Canary Islands.

The president was welcomed by members of his Cabinet and by Entel trustee Maria Julia Alsogaray. Then, he met with his ministers in the VIP room. The meeting was also attended by Acting Senate President Eduardo Menem.

Economy Minister Antonio Erman Gonzalez and Social and Public Works Minister Roberto Dromi gave the president a copy of the basic agreement reached with Entel's prospective buyers. The meeting was held behind closed doors.

Entel Sale Contract Signed by Parties

PY2810212290 Buenos Aires BUENOS AIRES HERALD in English 27 Oct 90 p 1

[Text] (NA-DYN)—Weeks of uncertainty came to an end yesterday with the signature of the ENTel sale contract late last night by the government and the STET [expansion unknown] and Telefonica consortia.

Economy Minister Antonio Erman Gonzalez declared jubilantly "we have reached an accord with the ENTel buyers."

He disclosed that the thorny issue of the price of the telephone unit—which had threatened to derail the privatization—was resolved, with the level to be set at 199 australs as from August 31.

"Then we'll have to adjust it in line with inflation," he added. With September's inflation of 15.7 percent and the figure for October estimated at seven percent, the price would reach around 230 australs.

In addition, Gonzalez stated that the ENTel purchasers have agreed to waive their right to a profit margin of 16 percent of turnover, and this guarantee is to be replaced by a system of adjustment.

He explained that if the increase in the value of the dollar exceeds the rate of inflation by more than 25 percent, telephone rates will be adjusted according to a "combined formula," 40 percent based on the behaviour of the dollar and 60 percent on inflation.

Questioned about the 31.9 percent pension fund tax levied on telephone rates, Gonzalez confirmed that it would be eliminated. It still remains unclear, however, whether the new ENTel operators or the users will benefit from this measure.

Public Works Minister Jose Roberto Dromi revealed that the final transfer—which must be concluded at the latest by November 8—would probably be agreed "either on Monday or Tuesday."

Bolivia

Ormachea Reports on Visit to Military Units

PY2710115890 La Paz Television Boliviana Network in Spanish 0030 GMT 27 Oct 90

[Text] Defense Minister Hector Ormachea has inspected several military units stationed in the La Paz high plateau.

[Begin Ormachea recording] As you can see this is a unit, which I would say is the only one [as heard] in Bolivia which could be described as in very good condition. This

is the Achacachi unit. But it is the only unit in good condition. The Navy unit in (Chuba) is also good. It does not have many infrastructure problems, but it does have problems with equipment supply and everything else. But you yourselves have been able to observe and film this.

I would like to tell you that this morning we began by visiting a post of the Ayacucho Battalion headquartered in Achacachi. The name of the post is Puerto Acosta, which is very near the Peruvian border. It is a critical place because it is very near the lake, not directly on the lake, but it is a post near several Peruvian communities and easily accessible via the lake. We have that post there. People often ask what we are doing to safeguard our sovereignty and to look after our borders. This is what we are doing. We have reinforced that post, which is very important.

We then visited the Chaguaya unit which is the northernmost Navy post in the Bolivian high plateau region. The rest of the Navy is naturally concentrated on the great rivers and in east and northeast Bolivia. That is, basically in Santa Cruz, Beni, and Pando Departments. The Navy and the Army play an important role, therefore, in the places where they are posted.

You know that two weeks ago I finished a long tour to the south of the Republic, both in the high plateau and in the Chaco regions. I visited all the small units. We also visited some units today, including Puerto Acosta, which is a simple small town that has a long tradition in Bolivia. In conclusion, what I may add to what you have seen is that we have many problems. Our budget is not at all sufficient, and we are making great efforts not only in the ministry but in the units. [end recording]

Defense Minister on Results of Drug Meeting

PY2710162490 La Paz La Red Panamericana in Spanish 0000 GMT 25 Oct 90

[Text] Defense Minister Hector Ormachea today met with the peasant affairs minister, the interior under secretary, the commander of the Special Antinarcotics Forces [FELCN], and the leaders of the Single Trade Union of Bolivian Peasant Workers to discuss matters related to coca eradication. Ormachea said that during the meeting peasant workers voiced their concern over the bombing of roads by FELCN personnel.

[Begin Ormachea recording] The Interior Ministry has already considered the situation and has stated that it will find a way to (?immediately) stop these bombings. It will also analyze how to repair the damage because this is a matter that concerns the Interior Ministry. [Word indistinct] this is everything I can report. We also discussed the topic of alternative development. In this regard, Javier Lupo, legal adviser to Conalid [National Council Against Drug Abuse and Illegal Drug Trafficking], and Engineer Antezana explained the proposed projects for which financial support will soon be sought in Europe. [end recording]

Ormachea also said the meeting discussed one of the Army's actions in the coca growing area and the use of herbicides.

[Begin Ormachea recording] The Armed Forces will not carry out any actions against peasants engaged in coca growing or in other types of cultivation. The Armed Forces will take action with the president's authorization. They will struggle against drug traffickers and not against peasants engaged in coca production. It has also been decided to categorically reject the use of chemicals, herbicides, etcetera, especially in Bolivian territory. [end recording]

No More Salary Increases To Be Given in 1990

PY2710122090 La Paz La Red Panamericana in Spanish 0000 GMT 25 Oct 90

[Text] Bolivian Finance Minister David Blanco has asserted that there will be no more salary increases this year and that any necessary adjustments will only be made in 1991. He also said that the macroeconomic goals for next year will be defined in the next few days. Blanco explained that any salary increase will be in keeping with the national budget and will take production and investment goals into account.

In referring to the same subject, Planning Minister Enrique Garcia explained that he is studying the possibility of an increase for the next fiscal year, but that it will be based on the estimated inflation rate for 1991. He also said that the government will not issue any resolution on comprehenive negotiations and that, due to the situation in Bolivia, businessmen will have to discuss the problems with their employees. He added that the state will asume its responisibility to those who depend on the national treasury. In the meantime, he said, we cannot even listen to the threats of the union leaders who maintain that the inflation of the past few months affects their purchasing power, which is why they have demanded a change in the current policy. The minister disregarded the workers' position by adding that the policy in this area is clear.

Notes Exchanged on Rescheduling Debt to Japan

PY2710133490 La Paz Television Boliviana Network in Spanish 0030 GMT 26 Oct 90

[Text] Bolivia and Japan have exchanged notes on rescheduling Bolivia's public debt to Japan. Within the framework of Paris Club negotiations, the Governments of Bolivia and Japan have agreed to sign three notes on the Bolivian public foreign debt. The first note involves the rescheduling of the debt contracted with the Japanese Overseas Economic Cooperation Fund [Fondo de Cooperacion Economica de Ultramar] for an amount of 3.86 million yen. This is the amount of the Bolivian debt to the fund that has become or will become overdue between 1 January 1990 and 31 December 1991.

The second note involves the rescheduling of commercial debts contracted between the Bolivian Government and Bolivian Government companies and creditors in Japan. The third note involves rescheduled commercial debts contracted in U.S. dollars, which total $916,824, and in Japanese yen, which total 1.883 million yen.

[Begin recording in progress] [Foreign Minister Carlos Iturralde] ... a clear expression of the high level reached by the relations between Bolivia and Japan. Furthermore, they represent a synthesis of the fields in which the Japanese cooperation with our country is being developed.

[Unidentified Japanese man] The repayment period, which formerly totaled 10 years, has now been extended to 25 years, and the grace period has been extended from 6 to 14 years. These extended repayment and grace periods involve credits in yen. The interest rate on the private debt in yen has been reduced from 6.5 to four percent. [end recording]

Minister Bertero Assesses Development of Program

PY2710231490 La Paz PRESENCIA in Spanish
14 Oct 90 Special Insert pp 1, 2

[Response to a PRESENCIA questionnaire by Dr. Mauro Bertero Gutierrez, agriculture, campesino affairs, and livestock affairs minister]

[Excerpt] [passage omitted] [PRESENCIA] What progress has actually been made thus far within the framework of the alternative development program?

[Bertero] It is important to mention the effective work of the Cochabamba PDAR [Regional Alternative Development Program], which has more than 50 projects for the Chapare and Valles Altos regions. Some of these projects have been completed, and others are in progress with USAID-Bolivia financing. These projects involve infrastructure work such as irrigation channels, water collection for multiple use, schools, health clinics, etc.

This is also the case with Projects AD/Bolivia/88/411-412 and 415, which are supported by the United Nations and involve various potable water collection works benefiting more than 70,000 inhabitants in various regions, the upgrading of more than 235 km of roads, and the construction of many bridges.

Chapare's electrification will no doubt be one of the most significant and large-scale works. This project will be implemented in the short term. It will benefit several towns with the installation of 440 km of power lines, which will allow for the implementation of an agroindustrial program that will result in the gradual increase of producers' activities.

Within this policy, Program 412 involves the installation of several small industrial centers in various towns to encourage their inhabitants to engage in this activity.

Program 415 involves an investment of more than $4 million for community development projects, including construction of a health clinic and a convalescent center and installation of a dairy products plant that will increase regional products.

Regarding La Paz Department, specifically the Yungas area, Projects 405 and 408, which are supported by the UNFDAC [United Nations Fund for Drug Abuse Control], have financed road infrastructure work involving approximately 540 km of roads, the construction and equipping of Coroico Hospital, refurbishment of school buildings, construction of social clubs and potable water systems, training of people from different levels, and other work tied to the health sector. [passage omitted]

Government To Continue With Mine Privatization

PY2710213690 La Paz PRESENCIA in Spanish
14 Oct 90 p 7

[Text] Mining Minister Walter Soriano Lea Plaza said yesterday that following the expiration of the deadline for the Trade Union Federation of Bolivian Mineworkers (FSTMB) to present a concrete proposal for the administration and reactivation of Comibol [Mining Corporation of Bolivia], the government has decided to continue with its plan to privatize state-owned mines through the "joint venture" [preceding two words in English] system.

The minister gave the mineworkers an "ultimatum" [preceding word in English] for them to present—within a three-day period—a concrete proposal and to identify the source of a $70-million fund they claim to have for reactivating Comibol.

"The deadline expired long ago, but the miners have not presented any proposal," the minister said.

The minister added that the state's lack of funds for reactivating the mines, especially the tin mines, has forced the government to seek new sources of investment. Among these sources, the minister cited shared risk corporations (joint ventures) [preceding two words in English] to reactivate the mines or turn them over to private capital.

In the minister's opinion, the main financial organizations have stated their decision to reduce credits for the tin mines following closure of the mineral processing cycle and the continuing decline of tin prices on the international market.

"Bolivian mining must be directed toward mining nontraditional concentrates," the minister said.

Soriano reiterated that the only alternative for the recovery of several tin mines is operating with private capital.

Soriano's remarks have come as a surprise for former Comibol President Wilfredo Salinas who has said that the Comibol five-year plan approved by the government and international organizations establishes that tin mines that are considered essential, such as San Jose,

Santa Fe, Huanuni, Caracoles, Viloco, Unificada, San Vicente, and other tin mines, must remain under Comibol administration.

The reactivation of these mines, Soriano said, is supported by financing of more than $40 million, of which $22 million is from the World Bank and $18 million from the IDB [Inter-American Development Bank], in addition to other loans from Germany and Spain.

Salinas, who is an MIR [Movement of the Revolutionary Left] member, said that the government has not made a determination on privatization of these essential mines. Therefore, in his opinion, the mining minister was either confused or has suffered a "lapse."

In Salinas' opinion, changes to the Comibol five-year plan must be approved by the government.

In turn, FSTMB leaders believe that efforts to privatize the Comibol mines, including the associated administrations, come from trends within the ADN [Nationalist Democratic Action] that are opposed to the plans initially approved at Comibol for these essential mines to remain under administration of the state.

At this moment, privatization of the state-run mines is being discussed by a national meeting of mineworkers' leaders.

Exercises Held To Prevent Shining Path Expansion

PY2710234690 La Paz EL DIARIO in Spanish 20 Oct 90 p 1

[Excerpts] In view of the continuing threat of a "Shining Path" subversive expansion from Peru into Bolivian territory, the 1st Army Division yesterday began war games or military exercises that will encompass a large portion of the border.

Army officers, along with the commanders of small units, met at the "Bolivar" barracks in Viacha yesterday to plan actions designed to take every event into account. Something new that must be taken into account is the fact that the Peruvian Government has declared a state of emergency following an escalation in violence in that country, especially in the provinces near Bolivian territory.

Official reports point out that the military maneuvers are designed to maintain and increase the professional efficiency of the cadre of officers in planning and carrying out various types of operations.

A communique delivered to EL DIARIO states: "In this type of exercise, hypothetical situations should be as close as possible to real situations. On the other hand, the goal of these exercises is to determine the degree of the efficiency of the forces in coping with possible conflicts."

The countersubversive preparations will go on for 10 days. Afterwards, the forces will be completely capable of acting in any circumstance.

Brigadier General Carlos Gongora Sevillano, 1st Andean Division commander, told an EL DIARIO journalist that the closeness of the conflictive Peruvian zones keeps garrisons in that area in a state of alert, especially in view of the declaration of a state of emergency in the neighboring country. [passage omitted]

Brig. Gen. Gongora pointed out that these exercises are actually part of precautions that are being implemented to prevent the possible entry of "Shining Path" members as a result of pressure in their own territory.

Asked if the border zone represents a sanctuary for the "Shining Path," the military officer said the media have always said that along the extensive border, the subversives seek rest, medicine, or food in our national territory. [passage omitted]

The 1st Andean Division commander said he cannot ascertain whether the "Nestor Paz Zamora Command" [Comando Nestor Paz Zamora—CNPZ] has any ties with the "Shining Path."

This question was raised by the appearance of the acronym CNPZ, along with a drawing of a raising sun and anti-North American slogans, on the walls of several houses and streets in Viacha; these are similar to ones in the cities of La Paz and El Alto.

"Apparently this is a new group made up of subversives, but we do not have any other information," our interviewee pointed out. [passage omitted]

Brazil

President Collor Discusses Economy, EEC

PY2810230090 Rio de Janeiro Rede Globo Television in Portuguese 1412 GMT 26 Oct 90

[News conference by President Fernando Collor de Mello in Brasilia with foreign and domestic reporters upon his return from Lisbon—live; monitored in progress]

[Text] [MacArthur] Carlos MacArthur from the Bandeirantes Radio and Television Network. Good morning, Mr. President. With Minister Jarbas Passarinho in the Justice Ministry, the CUT [United Federation of Workers] is getting farther away from the social pact and other labor leaders, like Luiz Antonio Medeiros from the CGT [General Federation of Workers], are asking for a salary realignment. Do you believe that this position will make it more difficult to sign a social pact?

[Collor] Not at all. I do not believe that anyone or anything is farther or closer. We have a democracy and democratic principles that we have to observe. In a presidential regime, the president of the Republic chooses his aides. If the president has to consult with sectors to find out if so and so should fill that post, the democratic structure would automatically be subverted.

Attention must not be focused on any particular individual but on the manner in which the government as a whole is acting. Senator Jarbas Passarinho is a public official with a very good reputation. Even in the labor union circles you mentioned, there are many people who are his friends and respect him greatly because of the role he played in the constituent assembly that wrote our new Constitution. He has authority, he is a man of dialogue, and he is a politician who knows better than most how Congress works. Above all, he has public spirit, and this is why the presence of Senator Jarbas Passarinho in the Justice Ministry.... [changes thought] On the contrary, he can stimulate rather than disrupt dialogue. An attitude against dialogue would not be appropriate at this time.

As for the salary realignment, I believe that labor leader Medeiros has the representation to present his opinion and his viewpoints, which, incidentally, he does quite properly. Naturally, all this can be conducive to gathering around a table of national understanding, which will meet later this month.

[Silva] Edith Silva from Radio Globo. You have said that whoever is out of tune will not remain in your government. I would like to know if you will make that very clear to all your direct aides in your seventh Cabinet meeting scheduled for 29 October and if the results of the 3 October elections serve as a barometer in terms of indicating a change in the Cabinet.

[Collor] No doubt this is a truth we cannot ignore. If someone is out of tune with the government, he should leave. Sometimes a person can leave for personal reasons; in these cases a standard cannot be established. But there are some who are really out of tune, who are out of tune with the government as a whole, and naturally they must go. We cannot afford to have people working against the general line of the government.

When I managed my companies, that was unacceptable. I mean, as a company manager I set directives. A subordinate director might approach me and say that something had to be done differently.... Either he followed my directives or he had to leave. The same thing applies to the government. It has to have unity and a single command, and I will not relinquish command of the government. This unity of command is also valid at all levels of government.

Today we have an absolute priority: our economic stabilization plan and a determined fight against inflation. This is setting the pace for all the government's actions. Until we exterminate the dragon of inflation, until we eliminate once and for all the possibility of budget deficits, until we stabilize the country's economy, nothing else will be a priority. Those who think priority should be assigned to something else should leave the government, offer their resignation, or accept our invitation to leave. This is what has been happening so far and will continue to happen. This is a machine. When one sees that the machine is not working properly, that a part is not working well, we have to change it. This is absolutely natural, absolutely normal, and there is no reason to be surprised about it.

Naturally, command in the economic area has been entrusted by my express decision to Minister Zelia Cardoso de Mello, who is performing extremely well in carrying out our economic policy and our economic program. At no time would it be acceptable for objections to be raised to the actions that Minister Zelia has been taking on my behalf in the first months and that she will take in the government's future months.

[Gutemberg] Gutemberg from FOLHA DE SAO PAULO. Mr. President, good morning. The media in recent days has mentioned the great influence of businessman Paulo Cesar Farias in the affairs of your government. I would like to know if that businessman is in fact your friend. Also, regarding the Petrobras case, you said that you have requested a report on a proposal made by Vasp [Sao Paulo Airlines Company]. I would like to know how you view the personal involvement of Mr. Paulo Cesar Farias and your secretary, Marcos Coimbra, in this episode.

[Collor] I will tell you that my friends are not in the limelight; my friends are those who in the two electoral campaigns believed in our platform and our determination and cast their votes of hope and confidence into the ballot boxes. These are my friends. They are anonymous friends, friends who support and cooperate and do not create difficulties or embarrassments. These are my true friends, not only my personal friends but the friends of the man who is now the nation's president.

I want to say that we are today working with an ideal, with a sense of mission. The government makes a point of being absolutely clear in all its acts—absolutely clear. This government's credibility will not be affected nor undermined at any time by the occasional fault of any of its members. So, regarding what happened with Petrobras, everything has to be clarified, including who is involved and who is not. The fact that someone is a relative of the president, an acquaintance of the president, or a friend of the president does not give him safe-conduct. They have not received permission from the president to act on his behalf. I am sure that the entire government is on the alert against these things today.

Only the ideals we believe in have influence in this government—the ideals of building a serious and worthy country and having a government that sets an example by its actions more than by its words and speeches. We have to set a good example that society can follow. Any error that may occur, any fault that might be noted—as can happen in any administration—calls for the government to take the most serious and rigorous actions to give an account to society and to make all its attitudes clear.

This is exactly what we are doing in this episode. I have just arrived from Lisbon, as you all know. I arrived at 0900 this morning, at 1000 I met with the Petrobras

president, and at 1100 I invited you to this news conference to openly talk about all these matters. This government has absolutely nothing to hide, because we are not lacking the courage and determination to confront the problems. The government must reflect what society wants it to be. This is what the government is doing. This is the way the government is conducting itself. On 2 November, following thorough investigations, as I have said, the president and the people will be informed of the conditions in which that proposal was made and if it damaged that state company in any way.

[Balbi] Eli Balbi from JORNAL DE BRASIL. Mr. President, all of society is concerned about the fact that inflation is still resisting attempts to reduce it. We had an agricultural shock and the Persian Gulf crisis in August, which produced an impact on accounts of the countries that still import oil. There is also some resistance in the form of an informal indexation of the economy, including speculative factors. All of this is contributing to this resistance in reducing inflation, and the financial market at this moment is working on the basis of an inflation of 14 percent. There is a fear that we may return to the levels of 15 and then 20 percent, losing control. I would like to know exactly what the government's strategy is to confront this resistance to bringing down inflation.

[Collor] I believe that the important sectors of the national economy are not exactly concerned about the eventual increase in inflation. Today the concern is different: That inflation might abruptly decline and—as I said a month ago—drag down some enterprises that ignored the need to revise their prices, their profit margins, and to again become efficient in the short-term. That is the concern of the government and important sectors of the national economy.

What you have said is true. If we had not had the agricultural shock and the Persian Gulf crisis, the situation would be much better. We had to carefully and rigorously use monetary policy instruments to avoid an excessive expansion of the monetary base. If the base were allowed to expand too much, it could result in an uncontrolled escalation of inflation—but this is not happening.

Thanks to the instruments of monetary and fiscal policy that we can now apply, inflation is being controlled at that level, at around 12, 13, or 14 percent this month. But at this level, for the past few weeks—except last week—we have noticed that prices have stopped increasing as they were in the preceding month. This gives us reason to expect very low inflation rates by the beginning of next year. We have to be alert to the consequences that may result from delays by some productive sectors of the economy in adapting themselves to the new situation. That is our concern: That along with the inflation, a number of enterprises—I do not expect it will be many—might also fail for the reasons I already mentioned.

[Giani] Humberto Giani from ANSA. Mr. President, good morning. Sir, your trip to Portugal has been characterized by the international press as an expression of a great political and economic opening. I want to address my question to this point. After talking with President Soares, how do you envision the integration of Brazil into the EEC through Portugal? Can you tell us?

[Collor] Yes, that integration can come about through the formation of joint ventures between Brazilian and Portuguese enterprises, the privileged relations we maintain with Portugal, extremely favorable legislation for trade relations between the two countries, and our cultural identification—we speak the same language, we have the same roots, the same history, and the same culture. There is no shortage of reasons to justify this association of Brazil and Portugal, helping one another, in this case Portugal helping Brazil so that we can penetrate a market as important as that of the EEC through the formation of joint ventures.

[Gugliana] Monica Gugliana from BRAZIL SUL magazine. I would like to hear your opinion on the oil monopoly, about which a lot has been said lately. [Words indistinct] today talking with Eduardo Teixeira from Petrobras.

[Collor] Ah. Well, I believe that the statement by the Petrobras president is absolutely correct, because it is absolutely in conformity with the Constitution. In one of the articles of the transitory clauses, the Constitution provides for its reformulation, reevaluation, and a new analysis in 1993. It is on this basis that the Petrobras president made his statement.

Until 1993, we will have to rigorously comply with the mandate of the Constitution that establishes the monopoly. The way things are evolving, many things could be changed in 1993—one of them could be the monopoly, but I do not know. That statement should not cause any alarm, just as a statement in favor of the parliamentary system should not cause any alarm. It can be seen in the Constitution that the Brazilian system of government is presidentialist. But the institutions will be threatened until discussions are held on the possibility of adopting the parliamentary system through a plebiscite, which will be held that year. The same thing can be said of the monopoly and other issues that elicit, I would not say controversy, but the curiosity and creativity of the people. So we have to rigorously comply with the Constitution, and the Constitution says that oil is a state monopoly and will be a monopoly until this provision is changed, or not changed, when the Consitution is revised in 1993. What is important is that the Constitution be respected on all its terms by all those in government and by the entire Brazilian society. Thank you very much.

Government Seeks To Reduce Debt Payments

PY2610132290 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Oct 90

[Text] The government is analyzing a proposal for renegotiating the foreign debt with the Paris Club, which is an association of governmental agencies of creditor countries. They seek to reduce the [words indistinct] next few years. Economy Minister Zelia Cardoso de Mello has said that the government is studying a plan to reverse the schedule of payments to the Paris Club. The current schedule specifies large payments over the next four years, and smaller payments on interest and principal in the following years. The government wants to reverse this schedule to avoid jeopardizing the country's ability to pay.

Brazil's medium and long-term debt with the Paris Club amounts to $9.7 billion. According to Central Bank reports, this year Brazil will have to pay $1.965 billion. The same amount is also scheduled to be paid in 1991 and in 1992. This schedule of payments goes against the Brazilian position of paying only the amount permitted by the fiscal surplus—that is, by the level of collected taxes.

The proposal to reverse the schedule of payments is inspired by an agreement signed by Poland, which managed to reschedule its debt over a period of more than 15 years with a 12-month grace period. This means that Poland was freed from all payments for one year. The Brazilian Government seeks to eliminate or to reduce as much as possible payments in the next few years, until Brazil resumes its economic growth and increases its capacity to make payments. The official negotiations with the Paris Club will begin in November, but no schedule has thus far been agreed upon.

Chile

Noncommissioned Officer Killed by Armed Group

PY2610181090 Santiago Radio Chilena Network in Spanish 1600 GMT 26 Oct 90

[Excerpts] An Army noncommissioned officer who served in the dissolved National Intelligence Center, CNI, was killed by an armed group that ambushed him when he left his home near the Colo Colo soccer stadium in Macul district. The noncommissioned officer was identified as Victor Andres Valenzuela Montecinos, 42. He was shot four times in the thoracic region and once in the head. The shots killed him instantly. The murderous group used a Peugeot 504 taxi that had been stolen last night at the intersection of Froilan Roa and Benito Rebolledo Streets.

According to eyewitnesses, two individuals ambushed the noncommissioned officer this morning at 0720 [1020] as he left his home at 2020 Pedro Resca Alley in the Santa Elena bank employees' condominium. The gunmen used automatic arms and finished him off by shooting him once in the head from close range before fleeing. Four nine-mm shells were found at the site. [passage omitted]

Interior Minister Enrique Krauss has said that it is not certain if Army Sergeant First Class Victor Valenzuela Montecinos, who was killed in an attack in our capital, actually belonged to General Augusto Pinochet's guard. The interior minister said: This information has not yet been supplied to us, and we are not fully sure. Krauss then voiced the government position on this action.

[Begin Krauss recording] The death of any human being, no matter who, is painful, and it draws our respect and our consternation. Obviously, this action forces us to comply with the obligation—an obligation that will be met by the police organizations—of conducting the appropriate investigations. [end recording]

This was a real action that must be investigated, the interior minister added. Krauss also pointed out that he is sure that Senator Jorge Lavandero will provide supporting evidence because he has reported that people who once belonged to the former CNI organization are involved in criminal actions. Nevertheless, Krauss made it clear that the government does not have any information regarding this.

FPMR Implicated in Death

PY2610200090 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 26 Oct 90

[Excerpts] Sergeant Victor Andres Valenzuela Monetcinos was killed this morning by five gunshots, one of which hit him in the head. The attack took place at 0720 this morning as the sergeant was leaving his house on a street near bus stop number seven on Vicuna Mackenna Avenue. The officer was a guard in Army Commander General Augusto Pinochet's bomb squad; he was apparently on his way to work when he was ambushed. [passage omitted]

The police were able to learn that one of the cars used in the attack was a taxi that was stolen in eastern Santiago last night. The Peugeot 504 was found 20 minutes after the attack in front of No. 3580 (Juan Basinca) Street, Macul District. [passage omitted] The taxi's original license plates were altered with paint to read: FB-1417. The initials FPMR [Manuel Rodriguez Patriotic Front] had also been painted on top of the trunk.

Silva 'Optimistic' About Lifting of Amendment

PY2610124890 Santiago Domestic Service in Spanish 1000 GMT 26 Oct 90

[Report by Antonio Cofre]

[Text] Foreign Minister Enrique Silva Cimma has said that the government is optimistic regarding the lifting of the Kennedy Amendment by the United States. He noted that the North American Senate is showing a very different attitude toward Chile.

[Begin Silva Cimma recording] I have always said that we are optimistic about that political negotiation. The facts support this optimism. These are not measures that will be implemented overnight, but it is obvious that the attitude and the assessment of the North American Government and the North American Senate toward Chilean politics are very different from those prevailing some time ago. [end recording]

On the other hand, the foreign minister downplayed the importance of the criticism leveled by Pedro Daza [the Chilean permanent representative before the United Nations] over the decoration that the Chilean Government bestowed upon former U.S. ambassador to Chile Harry Banks. The foreign minister added that he agrees with the favorable public opinion of the performance of the Foreign Ministry. It has been reported that the performance of the Foreign Ministry is regarded as one of the most successful aspects of the government of President Aylwin.

Bomb Explosion Causes Property Damage in Valdivia

PY2710174090 Santiago Domestic Service in Spanish 1600 GMT 27 Oct 90

[Text] A bomb that exploded today at 0050 at the intersection of (?Amargo) and Corral Streets in a crowded Valdivia neighborhood caused great commotion among the population. The bomb damaged a light pole and shattered windows in nearby houses as a result of the shockwave and the pieces of cement that spread over a vast area.

Carabineros personnel immediately went to the scene where they found that the explosion was caused by a homemade bomb containing ANFO [ammonium nitrate-fuel oil blasting agents] and a safety fuse. It is notable that there is no apparent reason for such an action in a crowded area. The Carabineros are trying to locate the criminals. This attack will cause the police to step up control of pedestrian and vehicle traffic in the evening because such incidents are unusual in the city.

Paraguay

Official Terms Initiative Progress Positive

PY2710175290 Asuncion ABC COLOR in Spanish 27 Oct 90 p 6

[Text] "The U.S. answer to our proposal in Washington on specific steps to begin negotiating U.S. President George Bush's plan within the framework of the 'Initiative for the Americas (AI)' is very positive," Foreign Under Secretary Bernardino Hugo Saguier Caballero told reporters yesterday.

Links with the United States through a commercial corridor is something that Latin American countries have always wanted. This is why the new proposal has produced justified anticipation in the region.

"We have already started operating as a Southern Cone common market. The representatives of our four member countries—Argentina, Brazil, Paraguay, and Uruguay—went to Washington last month to propose signing specific agreements to activate the AI. We are really satisfied with the quick and favorable U.S. answer," Saguier said.

Saguier added: "The U.S. reply responds to a great extent to our concerns for the quick implementation of agreements in the areas of commerce, investment, and technology exchange."

"Negotiations with the United States on all these topics are quite advanced. On 31 October we will meet at Itamaraty, Foreign Ministry headquarters in Brasilia, to work out details and review the possibility of implementating the free trade corridor with Latin America, one of our most important objectives."

Saguier concluded: "For the first time the United States will sign a broad trade agreement with countries that operate within the same regional economic bloc, as in the case of our Southern Cone common market."

Correction to Spanish Foreign Minister on Ties

PY2410221290

The following correction pertains to the item headlined "Spanish Minister on Need To Strengthen Ties," published in the 24 October Latin America DAILY REPORT, page 41:

Column one, paragraph four, last sentence make read: This shows that Spain has a trade deficit with Paraguay.

Fernandez Ordonez hinted.... (rewording)

Peru

Fujimori Addresses Nation on Drug Issues

PY2710010090 Lima Television Peruana in Spanish 1953 GMT 26 Oct 90

[Address to the nation by President Alberto Fujimori from Government Palace in Lima—live]

[Text] Good afternoon, ladies and gentlemen:

Ninety days have passed since the new administration was installed in Peru. Two events of great importance have implemented the economic stabilization program and the first certain steps toward normalization of our relations with the international financial community have been taken. Today, however, although our clear position on this subject is known, no concrete steps have been taken to prepare and implement a strategy to fight the scourge of drug trafficking. Not that we consider this a secondary problem; on the contrary, we cannot think about overcoming our national crisis and attaining our economic and social development without the disappearance of the illegal production of coca leaves.

As it is known, Peru supplies more than 60 percent of the world's coca production. More than 200,000 peasant families—that is, approximately 1 million people—currently depend on coca cultivation. This illegal and black market economy upsets the national economy and generates, in alliance with terrorism, a criminality that is increasing every day. Thus far it would seem that I am only referring to a national problem without greater international consequences. This is not so. The coca economy is greatly stimulated by the demand of consumer countries and favors a criminal network that knows no borders.

I want to make a comment that is very important from our national point of view: Most of the drug trafficking experts and researchers see this as the result of a cycle of producers and consumers linked by criminal organizations. We want to present a different point of view: Our country is a theater of operations or a field in which a confrontation is taking place between international organized crime and the laws of the affected countries.

Coca has been planted in Peru for hundreds of years. Its cultivation is part of the Andean culture. The discovery of cocaine as a hallucinogen, its dissemination, and the demand for it come from another culture in which this old Peruvian product, once processed, plays a social role that we all know. It has a social meaning, and because of its economic value, organized crime has invaded our country and turned it into a battlefield. This battle between crime and law has already been fought in other latitudes. Drug trafficking is certainly a cancer for us, and we want to eradicate it. We do not want to engage in sterile talks on who has more or less responsibility, or who must take the first step.

As a serious government that respects international treaties, we are always willing to honor our commitments and cooperate closely with other governments in the struggle against any drug trafficking threat. Thus, we stress the need for cooperation to completely and realistically face this scourge. Some national and foreign newspapers have expressed surprise at our decision not to sign the military assistance treaty proposed by the United States. Some newspapers even published some unfair, grotesque stories that our decisive future action will categorically prove wrong.

We do not oppose an effective program of repression to eradicate illegal coca plantations and thus control cocaine production.

We do want, however, the repression aspect to be tackled within a global context and within a framework that will take into account concrete possibilities for the peasants who live in coca production areas and the potential for developing alternative economic activities.

The eradication of coca plantations must necessarily be accompanied by the development of alternative crops. An effective repression that does not give the peasants an alternative, in Peru's current socioeconomic situation, could easily worsen the critical poverty that prevails and probably lead to a civil war with unexpected consequences.

Paradoxically, the ineffectiveness of the repression is probably what has so far prevented the violence that this phenomenon entails from becoming even greater.

The fact that the production units are spread over an area several times larger than any Central American country, has prompted the coca producers, in view of repression, to move to more sheltered areas, thus constantly increasing the illegal plantations. This, in turn, entails an expansion of the area under their influence as well as irreparable damage to the jungle area and Amazon environment.

As was clearly stated in Cartagena in February 1990, alternative development requires cooperation programs which, in the short term, must strengthen the emergency social program and support the balance of payments for producer countries to counterbalance the social and economic costs that substituting coca crops will entail. In the medium and long term, we require investment programs and measures designed to generate the necessary economic conditions that will allow definite substitution of the coca economy. In other words, we need to create the necessary conditions for developing a true market economy throughout Peru, especially in the coca production areas.

Fortunately, there are many alternative crops that are profitable and do not harm the environment; however, there is a great difference between coca plantations and other plantations. The difference, in the case of coca, lies in the buyers; the drug traffickers do not require formal contracts for their deals and are willing to buy small quantities at a time. This makes possible the existence of small family-run coca farms. Alternative crops, however, require organized plantations and production, which are only possible if the peasants have registered titles that allow them to belong to a legal, secure market economy in their capacity as private businessmen. In fact, coca growers are subordinate to drug traffickers because they are unable to identify and locate their property and the improvements they have made. The lack of legally established property prevents them from having the necessary contractual capacity to use their resources and reach an economic level that will allow them to plant alternative crops.

The lack of legal guarantees jeopardizes the possibility of greater investment in production with a greater value, as well as of making deals with buyers for alternative crops. It also prevents them from having access to formal credit through a mortgage system. Moreover, it jeopardizes the possibility of access to new distribution channels. In other words, coca producers are illegal because they do not legally own property.

Just like most Peruvian producers, their lack of access to legal financial institutions does not allow them to integrate a well-organized market economy through which

they could diversify and grow. The coca producers' black market economy is also the main obstacle to compliance with the law, because as long as they do not have legal property titles or deeds for their land, no government can resettle them, identify them, reach an agreement with them on substituting crops, or legally differentiate them from terrorists and drug traffickers—although obviously we do not want to legalize coca cultivation.

This circumstance has given subversive organizations the opportunity to play a role that somehow legalizes their power since, in many cases, the subversive organizations have become the only authority to settle land disputes and protect small peasants from arbitrary evictions.

Former governments failed in their objective to cut the connection between the peasants and drug traffickers because they were unable to establish a link with the peasants and to recognize their right to own a property. The main cause of this inability was the obsolete traditional land registry system. In Peru, as in many Latin American countries, the land registry system was copied from the Spanish land registry system of the last century. This system is so slow and costly that it has been estimated that not even 10 percent of Peru's rural land is legally registered with titles. These titles grant their owners rights and facilities for taking advantage of market opportunities. To this economic difficulty, we must add the fact that individuals who are mostly illiterate must face a very complicated legal procedure.

With the aim of correcting this situation, in September of this year my government began a crop substitution program that is being strictly controlled. It includes a computerized registration system in which the process of legally registering a property takes less than a month and the cost to its users is 100 times less than in the traditional method of land registry. With this mechanism, which is similar to Anglo-Saxon common law [preceding two words in English], peasants themselves are given the responsibility of deciding who must administer land and how it must be administered. Thus, once the titles and certificates are in the peasants' hands and they can make contracts, they will be able to determine—in keeping with their wishes—how to redistribute, combine, and organize their land and achieve an economy of scale, at least in specific areas.

Regarding this issue, we must point out that some peasant organizations representing several producing communities have openly expressed their wish to substitute their crops in exchange for establishment of the new land registry system and for access to the means to make substitutions possible. Obviously, they must also accept a mechanism of supervision and control to ensure the substitution and, therefore, compliance with the law.

From the technical and commercial point of view, once properties are registered and titles are issued, each peasant will be identified within a precise area. Once the size of the plot and the soil characteristics have been established, any private entrepreneur or assistance program will be able to introduce modern farming technology and establish permanent commercial relations. Once peasants are legally registered, they will also be legally entitled to exert their prerogatives as landowners, enabling them to join cooperatives, rent or sell their property, or use it as a guarantee for credit.

In addition to the registry, we have designed an expeditious, simple procedure for registering and foreclosing mortgages, and ways for insurance companies to participate to ensure that these goods are kept as loan collateral.

In the United States, 70 percent of all bank loans to small companies are guaranteed by mortgages. Because of a lack of legal guarantees, less than 10 percent of Peru's peasants can obtain loans through state banks.

The registry will thus play an essential role in promoting alternative crops. Furthermore, it will be a major achievement that can be used as a bargaining chip in negotiating a crop replacement agreement. It will ultimately be easier to improve and evaluate the results of the crop replacement programs that are adopted as a result of this new legal instrument, and to concentrate all repression efforts on drug traffickers and those who renege on their crop replacement commitments.

The reestablishment of legal authority in the coca zone through the registry will also be instrumental in displacing subversive groups. The highlight of the project is, however, the fact that it takes into account the interests of the have-nots. It recognizes that poor farmers have rights and treats them as new businessmen by creating institutions through which they can own private property within a social market economy.

Contrary to the thinking of traditional leftist or rightist politicians in Peru, I know that the peasants are well informed about matters related to land and ownership. They are capable of managing land and know a lot about local conditions, which is never noticed by Lima-based officials and politicians. The peasants are well informed about who is who and what belongs to whom.

In sum, our government seeks to effectively restore the government's presence in the coca zone; it seeks to win over the thousands of peasants who are now loyal to drug traffickers and their allies, whether covert or not. This can be achieved only when the peasants begin to regard the government as a source of legitimate authority and of alternatives for solving their problems, not just as a source of repression.

We have followed a clear political course. We emerged as a political force under a democratic system, and we believe that only through democracy will all Peruvian problems be solved. Informal, middle class, and poor sectors of Peru overwhelmingly voted for us, rejecting totalitarian options. The large number of Peruvians who are living outside the law, but who are establishing an emerging market economy and a democratic system, are

now requesting that their entrepreneurial abilities and democratic organization be legally recognized.

This is why we are not going to commit the same error made by Vietnamese President [title as heard] Ngo Dinh Diem, who launched a campaign in the 1950's against the informal traditional order observed by peasants in the central region of Vietnam and in the Mekong Delta by canceling the property system established by the peasants.

In Peru, we do not want to throw the peasants and their families into the hands of subversive terrorists and drug traffickers. To distribute and legalize land following the system established by the peasants, respecting their informal and unassumed manners, is to deregulate at the level of the have-nots, of most Peruvians, as was done in the past in California and other U.S. states.

To deregulate, as the Peruvian poor understand it, is to take away from the capitalists and central planners—who exist in Peru's bureaucracy as well as in developed countries—the instruments with which an artificial, infeasible property model was imposed on Peru because they did not believe in the informal procedures established by capable, responsible, and ordinary people.

Restrictions on substitution alternatives

On 27 June 1990, in the Initiative for the Americas—which was received here optimistically—U.S. President George Bush asked Latin American countries to eliminate legal and bureaucratic obstacles and regulations that drive away foreign and local investors. As an example, he politely cited a Latin American city in which it takes more than 300 days to overcome bureaucratic obstacles to opening a small clothing workshop. Regarding this example, we would first like to say that the city he was referring to is Lima. Second, it is absolutely true that it takes 300 days to open a workshop here. Third, the 300-day system was eliminated in Lima this month and will be eliminated in the rest of the country next year.

Let us imagine for an instant that a group of coca-producing peasants would like to become legal farmers and substitute coca crops by forming a private business group to export their produce. Could they do it? The way things are now, they could not.

First, they would find out that Peruvian law restricts the right to free association. The law only allows them to form individual associations—that is, cooperatives, farming committees, or similar organizations, rather than corporations or silent partnerships. Second, if they are already members of a cooperative, they would find out that the law restricts their right to resign because cooperative managers can deny their resignation by alleging economic-financial reasons. Third, if they wish to export directly to avoid exporting oligopolies, they would find out that customs office procedures consist of an average of 36 administrative steps in seven different public and private agencies over an approximately 45-day period, working full time. Besides, they would have expenses that could amount to 30 percent of their total commercial costs, without including the traditional bribes in national customs offices. Fourth, to reach the port and customs offices, they would have to travel 380 km along which they would have to pay bribes at up to 10 control posts. To this, we must add an undetermined number of possible bribes inside cities on the way to the port.

Let us imagine that in the execution of our government prerogatives, all this was cleaned up, as is our intention. Would this be enough? No. Our group of peasants would find out that on too many occasions, the organizations that control the sale of coca substitute crops establish that only industrial users and transport businessmen are entitled to export them. In fact, in one particular case, a substitute crop's access to market is impeded because in to export the product, it is necessary to first register legally for which, in turn, it is necessary to have exported the product for three years.

Moreover, some of these organizations have complete power over the prices of alternative crops by establishing minimum and maximum prices. They thus compel the producers of alternative crops to sell their products for nothing.

In the case of an important alternative crop, the supervisory organization demands registration in six different places. Because of the way they are handled, these registrations cease to be a sound economic regulation system and become a tool that distorts and restricts access to markets. This organization, for example, keeps a registry of plants authorized to maintain the inventories on which (?production) quotas are based. Until last year this registry had been closed for four years. As a result, no permits for establishing new plants were issued during that time. It also keeps a registry of producers and merchants based on its own judgment of who can be regarded as such. In defining what it considers a producer, it lists a series of requirements that prevent the peasant from being regarded as a businessman on one hand, and on the other, demand that the peasant present a bank account to be able to register. This requirement prevents 90 percent of the peasants in the jungle area from being able to register. There are thousands of other examples that I will not mention to avoid boring you.

The important thing is that the aforementioned mercantilist behavior pattern is identical in the case of other exportable agricultural goods that are potential substitutes for coca plantations. The relationship the coca producer has with the drug trafficking market is economically simple. The intermediary goes to the coca farm, and without having to do any paperwork and many times paying in advance, buys the peasant's production for a price that allows the producer to cover his costs and earn a living.

While coca is sold in a free market, alternative crops have to be sold in over-regulated, restricted markets. If we want to provide the peasants with true alternatives

and effectively repress coca production, we must deregulate the substitute markets.

What I have just mentioned represents a huge task that will require substantial changes in the Peruvian state administration because over-regulation, the 300 days, and the lack of guarantees and access to legal property did not come out of the blue. They are the result of a political-economic system that has characterized our country since the beginning of the republican era: mercantilism or noncompetitive and predemocratic capitalism. It is the same system that was implemented by King George III of England, and which the United States had to get rid of to create the open, transparent system they currently enjoy.

Often, the Peruvian state apparatus and many of its laws are used to coordinate the supply and demand of oligopolistic privileges. This still happens because many have not understood the meaning of our political democracy following the elections.

In Peru, unlike the United States, it is hard to know what a local peasant needs to substitute his crops and how to enforce a law prohibiting coca plantations, as opposed to the United States where such a law is self-enforced [preceding word in English] with a minimum of armed repression.

There is, then, a very close relationship between the lack of an institutional system that will allow the operation of a sound market economy, and the lack of a democratic institutional system that will allow decision making that includes citizens' opinions, participation, and control.

Former U.S. Congressman (?Jack Kemp) stated at Georgetown University that a market economy can function only if the bureaucracy can meet the needs and aspirations of the common people. The fact is that Peruvian law is disobeyed by an overwhelming majority and this prevents solutions to not only illegal coca crops, but to the problem of poverty in general, because in practice, the laws respond to the interests of public officials, politicians, and those who have access to power, including drug traffickers, with no consideration whatsoever of the costs imposed on the rest of society. This is directly linked to the multiplication of obstacles and the absence of rights to help overcome these obstacles.

Under these conditions, how can the Peruvian state reach an agreement with the United States and the international community on preparing an offensive against the drug scourge and developing a policy that will help achieve an effective consensus? How can we guarantee the repression of drugs against bribes by drug traffickers and guarantee that repression will not be applied just to miserable sellers, unemployed transporters, and [words indistinct]? We believe that much of what is needed to begin this process is included in President Bush's Initiative for the Americas, U.S. Treasury Secretary Brady's plan, and the Cartagena charter. The latter document represents a clear Peruvian commitment. The two U.S. initiatives explicitly admit that the causes of poverty and indebtedness are partly due to endogenous factors affecting developing nations, and for this reason, the debt renegotiation factors—tariff preferences, credits, and investments—are linked to structural adjustment or reform.

We agree with most of the proposals by Bush and Brady. For this reason, we want to include the coca problem among the factors linked to internal structural reforms. Secretary Brady is right when he says that to confront the foreign debt, there is no other alternative than a consistent policy, which in the case of coca cultivation is a policy that, through real integration with the market economy and the political system, guarantees real ownership rights, eliminates artificial obstacles, and promotes the definite abandonment of coca cultivation.

Mr. Brady insists on urging commercial banks to take a realistic approach to the debt problem. The same can be said for coca. We cannot expect the debt problem to be solved overnight. The same can be said for coca. Brady reminds us that solutions to the debt problem must be considered on a case by case basis. The same can be said for coca.

In July 1990, when we had not yet assumed our functions, we gave instructions for Secretary Brady to be asked to provide us with an orientation of his plan and President Bush's initiative. The answer was that neither of the two proposals constitute a definite program for implementation and that, instead, those proposals could be translated into concrete programs at the initiative of each Latin American country. The same orientation can be found in the Cartagena Summit document.

In Peru, we are now prepared to talk about structural reforms. The idea we sponsor is the realization that coca farming is favored by the country's huge structural problems, and consequently, it is advisable that these problems be addressed in the form allowed by the Cartagena Summit agreements, within the framework of President Bush's initiative, the Brady plan, and objectives for protection of the ecology, which we all support. The Peruvian Government believes that we can move toward redefining our bilateral ties with the United States through a specific dialogue on the coca issue. This redefinition should respond not only to the concerns and programs we stated in our election platform to benefit the large majority of neglected and ignored Peruvians who work in the informal market economy, but to the concerns expressed by the U.S. Government in its two international initiatives.

That also seems to be the intention of the U.S. Congress' Budget Committee, which has said: This committee believes that more attention should be given to efforts by Andean coca-producing countries, whose objectives for offering economic alternatives to the production of coca are hamstrung, among other things, by a shortage of funds for development assistance and the search for

military solutions instead of socioeconomic solutions. We share many concerns and objectives with the United States.

It so happens, however, that what is good and works in that country has not been transferred to us. For example, the Hope project presented in March of this year to the U.S. Congress by Democratic Representative Henry Gonzalez and Democratic Senator Donald Riegle, at a cost of more than $7 billion, is directed at helping the neediest classes in the United States by making them owners and creating business zones with adequate, simplified regulations to encourage their growth. Complementary legislation on business zones presented under the same project by Representative Charles Rangel and Senator Rudy Boschwitz proposes the substitution of legal and formal activities for illegal and informal activities by restructuring the state and granting a larger degree of initiative to popular organizations and neighborhood leaders. This is no different from what we want for the informal sectors of Peru.

We have just read about a project by Republican Senator Connie Mack and her colleagues, which has already been approved by the U.S. Congress. For the purposes of U.S. foreign economic policy, this project intends to classify developing countries that deserve assistance on the basis of specific considerations. It would also be ideal for us to agree on a strategy to attack the coca issue and promote alternatives for development on the same basis.

For example, the first consideration could be guaranteeing legal access to property ownership titles; the second, reducing difficulties in gaining access to formal enterprise; and the third, integrating the informal sector into the economy.

There are many points of agreement that should be included in the dialogue between our countries.

In conclusion, I would like to sum up our proposal: Peru will honor all of its commitments and will continue to implement those programs designed to fight the drug trade. Moreover, we want to intensify them because we know that very few Peruvians are happy earning their living at the cost of enslaving others with drugs.

For this reason, we would like to urgently coordinate a strategy with all interested nations to eliminate all of the deep causes of illegal action in Peru to better repress the supply of coca to drug traffickers. We are convinced that repression of coca producers will yield effective results only to the extent that feasible alternatives exist.

Repression will be effective only if the political and economic order has a broad social basis and fits the local situation. To achieve this, we need to establish a market economy that will guarantee land ownership, alternative opportunities, and a political system that allows the participation of peasants to identify obstacles to development and the lack of institutions to serve as pillars, as well as eliminating the obstacles and building the institutions.

This idea is clearly included in President Bush's Initiative for the Americas and the Brady plan. It is also obvious that it exists in the legislative chambers. We want to address all of these reasonable institutions.

For our part, we are sending a message on this problem to President Bush and establishing the necessary coordination with the other presidents who are signatories to the Cartagena agreement. Moreover, through Peru's presidency, we are establishing the necessary means to continue walking on the path of economic development, political democracy, social progress, and resolute struggle against drug trade and violence.

We have assumed a commitment to the people of Peru to eradicate this scourge, which has changed our way of life and is undermining our existence as a civilized society, and which also represents a serious problem for mankind. In this commitment, we will unite with friendly governments to eradicate this evil once and for all. Thank you. [applause]

8 Admirals Retire; Renewal Process Announced

PY2610172290 Madrid EFE in Spanish 1630 GMT 26 Oct 90

[Text] Lima, 26 Oct (EFE)—Defense Minister Jorge Torres today announced that, following a Peruvian Government decision, eight high-ranking Navy officers will retire. He added that this is part of a process of changes that will also affect the Army and Air Force commands.

In a statement published today by the local press, General Torres explains that this decision forms part of a "renewal" process of the military commands. He said that this is within the law.

General Torres added that four admirals at the command level and four rear admirals at the service level will retire. Torres made this statement today after meeting with members of the Chamber of Deputies Defense Committee. He did not disclose the names of the officers who will retire.

Torres did not specify when the changes in the Army and the Air Force will take place. He only said that it will be within a "few days."

The Peruvian defense minister reasserted that this is part of a routine change of the Armed Forces commands and urged the people not to speculate over the fact the Navy command is the first to be changed. He also denied that the executive branch negatively views the Navy.

The media noted that shortly after his inauguration, President Alberto Fujimori replaced Admiral Alfonso Panizo, the Navy commander, and Lieutenant General German Vucetich, the Air Force commander.

The only Armed Forces commander who was not replaced by Fujimori was General Jorge Zegarra, the Army commander.

At that time military sources stated that these changes caused unrest in the Navy and that it particularly annoyed the ousted Navy commander, who at the time was the chairman of the joint command.

Moreover, on that occasion, political circles speculated that the Navy was "annoyed" over the election of a Peruvian president of Japanese descendant.

Shining Path Leaders Seen in La Libertad

PY2610111690 Lima LA REPUBLICA in Spanish 23 Oct 90 p 4

[Report by Biaggio Dileo]

[Text] Trujillo, 22 Oct—All leaves of absence for police personnel of the Third Police Region have been canceled following reports by the National Intelligence Service (SIN) that confirm the presence of top Shining Path leaders Abimael Guzman and Julio Cesar Mezzich in La Libertad mountains.

La Libertad local officials were reportedly called together to receive security instructions from the top police commanders. The officials were told about the security precautions that must be adopted because of the risk of attacks by the insurgents.

The SIN report states that the two rebel leaders are reportedly in that zone to participate in a Shining Path congress or meeting in La Libertad Mountains, a place not often visited by military patrols because the area is difficult to access.

Approximately one year ago a similar report circulated among the police forces and the Army, mentioning a meeting of the top leaders of the clandestine Maoist group.

Following this report, police operations were intensified in coordination with several Army divisions, special services, and elite intelligence groups.

At least 200 soldiers have reportedly been mobilized in the zone. The meeting of the Shining Path leaders will reportedly take place in Huamachuco province or in Santiago de Chuco province, some 150 km from here.

The extremely bad condition of the road leading to Santiago de Chuco is reportedly an incentive for the insurgents to hold this meeting under no threat whatsoever from the police forces.

This road has reportedly been in very poor condition for more than a year, and the local officials have done nothing to end Santiago de Chuco's isolation. Subversive actions in this province have consequently increased over the past few months with the murders of mayors, justices of the peace, and community leaders.

The police are controlling the roads and paths leading to Huamachuco and Santiago de Chuco. No one knows, however, if Army detachments have been deployed in the mountains.

Buses and all vehicles traveling between the provinces are being thoroughly checked by police and military troops, passengers are asked for their identification cards, and suitcases and baggage are being searched for any seditious elements or weapons.

People who live in the La Libertad mountain area, peasants and small farm owners, have reported that they saw the top leader of the proscribed Shining Path movement moving with a Shining Path patrol. "Comrade Gonzalo," as Guzman is known, was accompanied by a "security" group of between 15 and 20 heavily armed people. They were all wearing ponchos. According to the reports, Guzman's appearance was emaciated, and nothing was said about Mezzich.

Pacification of Ayacucho 'Important First Step'

PY2710125090 Madrid EFE in Spanish 0447 GMT 26 Oct 90

[Text] Ayacucho, Peru, 25 Oct (EFE)—The lifting of the state of emergency in Ayacucho, for the first time since it was instituted nine years ago, was interepreted today by civilian authorities as "an important first step" toward the pacification of the region.

They also expressed the hope that Ayuacucho, believed to be the cradle and center of the Maoist terrorist group "Shining Path," will again return to normal under the control of civilian organizations.

Oswaldo Aspilcueta, chairman of the Los Libertadores Wari region where the Andean city of Ayacucho is located, has said that the political decision of the government headed by President Alberto Fujimori must be strengthened with "an extensive program" of social support for the poor and preferential treatment for the agriculture sector.

Aspilcueta said that the return of peasants to the farms must be achieved. He added this will be achieved by distributing seeds and granting larger credits. He also said that more job opportunities must be created for the poor.

Aspilcueta stated that with the return of the state of rights—since the lifting of the state of emergency presupposes the restoration of constitutional guarantees—civilian authorities must resume control of the city with the support of military forces.

Ayacucho Mayor Mauro Rivera has said that the government must now grant this region all the attention it needs to overcome its problems such as water and energy and also to assist the unemployed.

The government ordered the lifting of the state of emergency in Huamanga Province, whose capital is Ayacucho, through a supreme decree issued on 24 October. This decree also extends the state of emergency for 60 days in 10 other departments.

The decree states that this decision responds to the decrease in subversive activity in Huamanga Province.

Six terrorists, two peasants, and one policemen were killed in the last 24 hours in a town 95 km north of Ayacucho during the second day of a 48-hour "armed stoppage" (a strike carried out under death threats) called by "Shining Path."

The state of emergency was instituted in Ayacucho in 1981 when Shining Path increased the terrorist activities they started in May 1980 in the town of Chuschi in Ayacucho Department.

Four Shining Path Terrorists Killed in Ayacucho

PY2710154890 Madrid EFE in Spanish 0341 GMT 27 Oct 90

[Text] Ayacucho (Peru), 26 Oct (EFE)—A military source reported today that at least four alleged Shining Path terrorists were killed on 23 October by military personnel in a clash with a column of terrorists in the Ayacucho Province, 576 km southeast of Lima.

The soldiers spotted the Shining Path terrorist column on the outskirts of Huancapi township and engaged in a battle that lasted several hours. The four guerrillas were killed during the clash.

The source, which did not specify whether there were military casualties, said that on 22 October this same group apparently attacked the adjacent township of Pomabamba and killed four members of the so-called "peasant defense patrol," the Army's civilian armed branch in areas that lack police and soldiers.

The Shining Path terrorist organization, which began the armed struggle in 1980, has claimed the lives of over 21,000 people and caused damage totaling over $19 billion, the equivalent to six years of Peruvian exports.

Alleged Shining Path Members Kill Navy Officer

PY2910023090 Lima Television Peruana in Spanish 0000 GMT 29 Oct 90

[Text] A Navy officer identified as Julio Fernandini Cavero was killed this morning a few meters from the Peruvian Navy Communications Center. Unofficial sources have reported that Shining Path subversives are responsible for this killing.

Fernandini Cavero was killed at about 1430 GMT. According to an eyewitness, Navy Officer Julio Fernandini Cavero was being followed by five suspects in a red Toyota with license plate IG-3510. Realizing that he was being followed, the Navy officer headed for the Navy Communications Center three blocks away.

At Block 3 of Jose Marti Street someone got out of the car to draw the officer's attention, but he continued walking. The assassin, who was wearing a black t-shirt and gray pants, then fired two shots. The Navy officer fell, seriously injured, and was immediately assisted by people in a yellow Nissan. The officer was immediately taken to the Navy hospital, where he died. Hospital sources have refused to supply information on this incident.

Terrorists Murder University Students in Huancayo

PY2710204690 Madrid EFE in Spanish 2018 GMT 26 Oct 90

[Text] Huancayo (Peru), 26 Oct (EFE)—The police have reported that the bodies of three university students, apparently killed by terrorists on 25 October, were found today by the Huancayo police in various parts of the city. The police added that on 25 October, subversives shot to death a peasant identified as Miguel Sedano in Huamancaca Chico. The subversives entered Sedano's house and shot him twice in the head in front of his relatives.

The bodies of the three youths, who were students at the National Central Region University [Universidad Nacional del Centro] in Huancayo, had bullet wounds in their heads and their hands were tied. Notes bearing the acronym of the pro-Guevara Tupac Amaru Revolutionary Movement [MRTA] were left on their bodies. The notes read: "This is the way false communists die."

One of the students, who was identified as Edson Espinoza, was found near the university's main gate, while the other two bodies were found at the outskirts of the city, in places known as Quebrada Honda and La Punta.

The police linked the deaths of the youths with a sign that was left on the wall of the university one week ago. The sign carried the names of 40 people, students and professors, whom the MRTA had threatened with death.

According to a special congressional committee, political violence has claimed the lives of over 20,000 people since the pro-Maoist Shining Path terrorist organization began an armed struggle in 1980.